

**ASSESSING CORPORATE SOCIAL RESPONSIBILITY ON SUSTAINABLE  
COMMUNITY DEVELOPMENT AT ESKOM: A CASE OF CAMDEN AND  
GROOTVLEI POWER STATIONS**

by

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**A research report submitted to the Department of Business Management  
in partial fulfilment of the requirements for the Degree of Magister  
Technologiae: Business Administration**

**UNIVERSITY OF SOUTH AFRICA**

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**SEPTEMBER**

**2016**

## ABSTRACT

The need for constructive and effective sustainable community development in South Africa is recognised as a cornerstone for national development. Having a clear understanding of sustainable development and sustainable community development is a prerequisite in developing sustainable communities. A current rate of unemployment and low skills level pose a threat to sustainable development within the communities. There is growing interest within businesses and organisations to contribute towards corporate social responsibility (CSR) programmes and initiatives. However, this is an enormous task to address socio-economic challenges in South Africa due to limited resources and high expectations. The businesses should implement well-structured plans for corporate social responsibility. Furthermore, planned initiatives generally tend to appropriately promote social harmony within targeted community. Skeptics of CSR often claim that business should focus on profits and let the government or non-profit organisations deal with social and environmental issues.

The Eskom' power stations under this study do make some contribution to social and economic development in South Africa, which is realised through corporate social responsibility (CSR) policy within the areas of Ermelo and Balfour. Most people in these communities feel they have been neglected for a long time as their social concerns have not been resolved. The community have recently pressurised these power stations to become corporate citizens; to take on CSR and work towards sustainable community development in their areas. There is a perception within the community that the management of Camden and Grootvlei power stations is not actively involved in executing CSR programmes; hence the intention of the study is to present an interesting analysis of these perceptions by exploring the experienced outcome of CSR initiatives around Ermelo and Balfour in improving the livelihood of the people, inter alia: unemployment and education.

The case study research design was adopted for this research and employed a qualitative approach to understand the individual perceptions about the phenomenon under study. The data were collected by means of semi-structured interviews and electronic email. The responses from the participants were analysed using ATLAS.ti software to identify codes and patterns in primary data. The total selected sampling was 25, but those who participated were only 17.

From the key findings, it was evident that these power stations do make some contributions towards CSR within their community. However, this study revealed a gap in the way CSR is

practiced and implemented: social responsibility and real sustainable development do not reach the community. The findings also brought to light vast differences in the perceptions of various stakeholders regarding available programmes that support sustainable development within the community. These vast differences could mean that this study represents the start of a long-term process. Moreover, the study suggests some critical underlying factors that should be dealt with to close this gap: communication, awareness of available programmes, budget challenges and commitment, and identifying who should take responsibility for various aspects of development. The outcomes of this study are based on how stakeholders view community development needs and challenges by means of three cases that emerged during data analysis: case 1) community; 2). CSR project manager; 3) Top Management. Overall, this study contributes to the applied research area of; proper community engagement programmes, management engagement, employment, training and development, and education.

### **Key terms:**

Corporate social responsibility; Sustainable community development; Sustainable development; Community engagement; Communication; Unemployment; Education; Training; Initiatives; Programmes.

### **List of Abbreviations**

<b>Eskom</b>	Electricity Supply Commission
<b>SCD</b>	Sustainable Community Development
<b>CSR</b>	Corporate Social Responsibility
<b>CSI</b>	Corporate Social Investment
<b>ESDEF</b>	Eskom Development Foundation
<b>NDP</b>	National Development Plan
<b>NGO's</b>	Non-Governmental Organisations

<b>TBL</b>	Triple Bottom Line
<b>SOE</b>	State Owned Enterprise
<b>NERSA</b>	National Electricity Regulator of South Africa
<b>MYPD</b>	Multi-Year Price Determination

## **DECLARATION**

I, Andrew R. Botshe, declare that this research report is my own work, except as indicated in the references and acknowledgments. It is submitted in partial fulfilment of the requirements for the degree of Magister Technologiae at University of South Africa, Pretoria. It has not been submitted before for any degree or examination to this or any other university.

Andrew Ramabele Botshe

Signed at Unisa

## **DEDICATION**

I dedicate this research to Stephen and Magdeline Botshe, my parents who have instilled in me multiple core values and beliefs. They taught me the value of hard work, commitment, courage, strength, love of family, the value of knowledge, the importance of making dreams turns into reality, most of all, prayer and giving thanks to the Almighty, always.

## ACKNOWLEDGEMENTS

- I would like to express my sincere gratitude to the following individuals for their contribution towards the successful completion of this study:
- My supervisor, Professor Edward Rankhumise who was abundantly helpful and offered invaluable support, assistance, guidance and patience. The support will always be cherished. Good Lord bless you;
- Rui Mousinho, the Qualitative ATLAS.ti computer software specialist for his assistance with networks;
- Jack Chokwe, the Language Editor at the University of South Africa for professional editing of my dissertation;
- Kgaugelo Sammy Boya, the Lecture at the University of South Africa (College of Economic and Management Sciences) for his knowledge, guidance and assistance to peruse the examiners comments;
- My lovely wife (Sibongile Constance Botshe) and children (Thando, Bonolo and Botshelo Botshe) for their amazing support and understanding;
- My Unisa colleague (Sophy Mothibedi) for her loyal support in the administration of my studies;
- My Manager (Augustine Lesiba Sebothoma) for offering me the opportunity to study this degree. God bless you Mphathi;
- Grootvlei power station Communication Practitioner (Selloane Mosia) for her invaluable support and knowledge in CSI; and
- The community of Ermelo and Balfour, the power station Management (Camden and Grootvlei) and the Mpumalanga CSI Project Manager for data collected, their willingness and taking part in my study.



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## CHAPTER ONE

### 1 INTRODUCTION AND BACKGROUND OF THE STUDY

#### 1.1 Introduction

The society today is faced with major challenges of representation, values, norms and implicitly, the alignment of political, economic and social environment to the new principles. The aspects of “corporate social responsibility (CSR)”, “corporate social investment (CSI)”, “community involvement”, “community development” or “social responsibility” have to be addressed to improve the lives of all South Africans in order to place the economy on the trajectory of sustainable inclusive growth.

In this study, CSR and CSI was used interchangeably to mean the same thing, although, South African business prefer to use the term ‘corporate social investment (CSI)’ as opposed to the notion of ‘corporate social responsibility’ because they interpret the “the word ‘responsibility’ as an obligation imposed on them with reference to past misdeeds” (Fig, 2002). He further posited that CSR in SA is not only influenced by the impact of corporate activities but also significantly influenced by the country’s apartheid history. The ambiguous definition of CSR reflects the usage of the term in Africa more broadly, with actors in the Sub-Saharan African region in particular describing CSR and CSI (Muthuri, 2013). CSR might be defined to include any activities or investment made by the business to make its operations more socially and environmentally sustainable. CSI on the other hand, encompasses projects that are external to the normal business activities of a company and not directly for purposes of increasing company profit, inter alia; includes externally-directed social investment by a company (Henry& Rifer, 2013).

This approach could enhance and promote social commitment of businesses and have the entire nation undertake the challenge to support sustainable economic development. The implications of this approach means regular and active involvement of business in community issues. The variety of social needs in South Africa in areas, such as education, healthcare, job creation, and entrepreneurial development offer a wide spectrum in which businesses can intervene by utilizing CSR initiatives (Busacca, 2013:1). Beyond solving apparent social issues, CSR initiatives aim to empower local individuals to contribute to their own communities’ economic growth and development.

The focus of the study was to identify challenges faced by Eskom's returned power stations to service in achieving CSR objectives and further examines the effectiveness of current strategies, socio-economic transformation policies and programmes. It further examines how in recent years, concerns about the social responsibility and sustainability of the business have become increasingly important at Eskom. The study is delineated to Camden and Grootvlei power stations that were previously mothballed in the late 1960s. The two power stations restarted their operations in 2005 and 2009 respectively. In the following sections, the outline of the chapter will be presented which entails the background of the study, the problem statement, the purpose of the research, aim and objectives of the study. A brief research design and methodology followed in the execution of the study. This will focus specifically on the research design, methodological approach to be followed, and population of the study and how they were selected to take part in the study. Data collection strategy is outlined as well as how data were analysed. In the final analysis, the structure of the dissertation is briefly described.

## **1.2 Background of the study**

Eskom as a state-owned enterprise (SOE) is required to accommodate, within its delivery mix, the ability to balance execution of their primary mandate in supplying electricity, and the extended secondary non-commercial universal service objectives required by government. These non-commercial activities are variously referred to as "community service obligations", "social obligations" or "universal service obligations" (South Africa, Presidential Review Committee, 2012). The provision of certain social or other non-commercial products and services to the communities continues to be an important responsibility of businesses, including Eskom. The government used the length and breadth of its organizations and structures to ensure that the desired social services are delivered (South Africa, Presidential Review Committee, 2012; Hinson & Ndhlovu, 2011:332-346).

Furthermore, the Presidential Review Committee (South Africa, Presidential Review Committee, 2012) asserts that the social investment must not be linked to political imperatives. Babarinde (2009:355-368) argues that in Africa and other developing countries, CSR is far from being a reality because of the weak system of governance relating to ethics and also the corrupt nature of leaders.

Eskom's corporate social investment (CSI) is channelled through the Eskom Development Foundation, a section 21 company (a non-profit company wholly funded by Eskom). The

Eskom Foundation was established in 1998 and became fully operational in 1999 and operates in all nine provinces of South Africa. Its prime objectives are to co-ordinate and integrate Eskom's CSI initiatives to bring disadvantaged communities into the main stream of the economy. Economic and Social development managers are distributed in each province. Eskom foundation supports socio-economic projects, provides grants and donations to community-based organizations and development agencies. The Eskom foundation also supports organizations that are involved in philanthropic activities for the development of disadvantaged communities. The activities of the Eskom Foundation focus on three main areas, namely; employment/job creation, skills development and to ameliorate poverty (Eskom Generation Communications, 2011; WBCSD, 2013; Eskom Development Foundation, 2013).

An amount of R87.9 million was spent on CSI initiatives during 2012 financial year (Eskom Annual Financial Statement, 2012). Eskom Foundation's goal is to contribute and ensure that existing small and medium enterprises (SME) benefit from various initiatives via guiding principles of sustainability. The Eskom Foundation understands that the best ways to make sustainable impact of skills development, poverty alleviation and job creation is through small enterprises and capacity building.

In supporting above articulations, CSI is one element of Eskom's CSR. CSI's philanthropy activities are defined as contributions made by Eskom to the benefit, growth and sustainable development of previously disadvantaged communities within which Eskom conducts its business, thereby giving it "license to operate". The Eskom developmental programmes mainly take place within the framework of Eskom's electricity expansion programmes and the return to service of previously mothballed power stations, with a focus on supporting the Government 'National Development Plan 2030. The government's plan is to engage with all sectors to understand how they are contributing to the implementation, and particularly to identify any obstacles to them fulfilling their role effectively. The NDP aims to eliminate poverty and reduce the imbalances of the past by 2030 (Manuel, 2013).

Furthermore, Eskom acknowledged that the quality of education in South Africa is important and Eskom Development Foundation promotes quality education through different programmes ranging from early childhood development right through to tertiary level thereby changing countless lives along the way. The Eskom Foundation is also committed to healthcare and the promotion of physical well-being in communities, supporting various

selected community healthcare centres by providing best medical equipment, HIV/AIDS wellness programmes and improvement in the management of chronic diseases. Eskom supports rural school infrastructure development and food security. This is achieved by strong partnership with various government departments and municipalities and it is aimed at addressing inadequate infrastructure by building and renovating schools. Eskom also provides support to agricultural food security projects through empowering rural communities with agricultural skills enhancement and also provides agricultural equipment.

Eskom Development Foundation (2011) asserts that Eskom facilitated local employment through the construction of new facilities and by returning previously mothballed power stations to service. The decision was made in 2003 to return all previously mothballed power stations to service due to growing electricity demand in the country. The three previously mothballed power stations are Camden, Grootvlei and Komati. Camden has been operating since 2005 and Grootvlei since 2009. The two power stations for the study are respectively situated in Msukaligwa and Dipaleseng municipalities, Mpumalanga Province. The Eskom Foundation revised its strategy then to focus on development in communities around Eskom capacity expansion sites. Furthermore, the foundation (Eskom Development Foundation, 2011) maintains that planning has been completed to implement projects in the communities around Camden Power Station in Ermelo and Grootvlei Power Station in Balfour. Other sites for project implementation include the communities around Kusile, Medupi and Ingula power stations (Eskom Development Foundation, 2011).

This infrastructure investment programme is unparalleled in South Africa and has yielded tangible benefits in terms of job creation, skills development and development of local suppliers. The return of Camden Power Station to service has created about 2000 jobs, of which 265 are permanent (Drottboom, 2010). Subsequent to this, Grootvlei Power Station has created jobs for 3800 people during peak operations with 1100 employees coming from the local community, of which 200 jobs are permanent (Zuma, 2013). This has made an immediate positive impact on the local community and even when employment is temporary; it increases the future employment opportunities for those that have acquired additional skills. Since the beginning of Eskom's capacity expansion programme, there are 6851 individuals that have completed their skills development training and 2763 are currently in training (WBCSD, 2013). The Eskom suppliers are required to train their workers, leaving behind an up-skilled workforce. In supporting this, training and development go beyond Eskom's gates,

as more than 7000 workers at Eskom's contractors have been trained since the inception of the projects and thus contributing to the productivity of the economy.

Eskom is carrying out CSI programmes through the Eskom Foundation, with a focus on job creation, skills development and poverty alleviation. The Eskom Foundation also invested an amount of 7.3 million dollars in such activities during 2011. Eskom also provides necessary training with the goal of building transferrable skills. The utility localization content exceeds 50% across all major expansion projects. Eskom has made a significant contribution to local infrastructure through the development of roads, telecommunication, sewage, railways and other infrastructure to support community development needs. In building robust business across the country, Eskom has successfully hosted the business investment competition, the business opportunities, franchise expos, contractor academy and support to business incubators. All these initiatives focus on poverty alleviation (WBCSD, 2013).

The study conducted by the WBCSD (2013) indicates that Eskom is an important catalyst for change in South Africa. To explore the impact of Eskom in South Africa, the resulting impacts constituted the basis of engagement with a range of stakeholders, including financial institutions, major suppliers and customers, non-governmental organizations (NGOs) and employees. The company intended to continuously reduce its negative impacts, such as relocation and environmental pollution. However, this study does not indicate any engagements with the local community regarding CSI projects.

This study focuses on conceptual exploration of CSR programmes and projects to which these power stations have contributed in addressing social issues such as unemployment, poverty, low levels of skills and black economic empowerment. The productivity and effectiveness of any business had always been of great concern to all business organizations and Management. Many variables in organizational structure and systems have been identified to explore the effectiveness and efficiency of management system in any organization. These variables encompass wider aspects of organizational life, such as tangible infrastructure, budgets and investments, and including people attitudes. Businesses are continuously exploring new ways of doing things better in order to sustain profits in a competitive environment and develop infrastructure and better institutional climate for their employees. Corporate Social Responsibility (CSR) has been touted as an effective management tool to strengthen the organization's performance through a better image in



stakeholders' mind, and its responsible behaviour towards society and environment (El-Garaihy, Mobarak & Albahussain, 2014: 109; Nkundabanyanga & Okwee, 2011:665).

Despite all the positive arguments for CSR that it is the right thing to do, there are also negative arguments against CSR. The skeptics of CSR posited that business should focus on profits and let the government and the NGO's deal with social and environmental challenges. Friedman (1970) argued that business should create products or provide services rather than handling of welfare activities. He believes that business do not have expertise or knowledge necessary for handling social problems. Also, if managers are concentrating on social responsibilities, they are not performing their duties and should be fired (Drucker, 2004).

### **1.3 Contextual background regarding Eskom, corporate social responsibility and Sustainable community development**

Eskom, as any other business, should contribute to sustainable community development, working with employees, their families, the local community and society to improve their quality of life. It goes beyond the technical, legal and economic requirements of the company and is viewed differently by people having different values. Eskom Holdings, a state-owned company, is mandated to provide electricity to support economic growth, while improving the quality of life of the people of South Africa (SA) and the region.

Eskom's objectives are not limited to commercial concerns. Its performance is also measured by the overall value it adds to the lives of South African public. Eskom's developmental responsibilities range from building and maintaining power plants and networks to supply households, schools and factories with electricity, to support local industries, stimulating skills and job creation. Eskom is also involved in creating a foundation on which SA can grow, helping to transform the lives of the large percentage of the population that lives in poverty (Eskom Development Foundation, 2013).

Furthermore, Eskom has initiated a development foundation called "The Eskom Development Foundation NPC (Foundation)". The NPC is responsible for coordination and execution of Eskom's CSI strategy to support Eskom's business imperatives. The sole focus of the strategy is to support socio-economic development programmes by targeting primarily the communities where Eskom operates. According to Trialogue's (2012), CSI refers to company's contributions to philanthropy and welfare to people around the community in

which it operates. It focuses primarily on improvement of poor or previously disadvantaged communities.

In line with this, the Eskom Foundation considers grants and donations for registered non-profit organisations. Focus areas of the foundation include education, health, energy, environment, enterprise development and community development. The Foundation operates in nine provinces of South Africa. The social and economic advocates have been employed by Eskom in each province to represent the foundation strategy. However, these strategy and policy interventions have their own limitations. The fact that companies still confuse CSR with philanthropy, has resulted in numerous problems associated with omissions, deliberate cutting of corners, and over and covert misrepresentation.

The term “corporate social investment” (CSI) encapsulates the essence of this shift towards more strategic programmes, as opposed to corporate philanthropy. An investment implies that a return is expected in terms of social uplifting for the broad transformation agenda and increasingly a return for the business itself. The role players expressed the importance to build a more collaborative CSI sector, not only between the business and non-profit organizations, but also between companies that operate within similar industry or developmental sectors (Hamann, 2009:438). CSI programmes and activities have increasingly become a more focused version of the broader CSR; that is why they have become more concerned with sustainable development, governance and partnerships.

The focus of the study as per Bowen’s (1953:5) question “To what extent do the interests of business in the long run merge with the interest of the community? In the context of this study, it is imperative to identify challenges that Eskom faces in achieving the CSR objectives. The study will furthermore review the impacts of current corporate strategy, values and policies. According to Sharma and Kiran (2012: 6696), CSR and the reporting of the practices to the employees, customers and society is regarded as a win-win situation which means that if organisation is practising social responsibility activities and this is communicated to the society, such practice is likely going to be of value to both the organisation and the community at large.

The concept of sustainable community development is discussed in more detail under the literature review chapter, item 3.4.

#### **1.4 Problem statement**

South Africa is faced with many challenges, such as unemployment, homelessness and poverty, which have become more pressing. The South African government has made it one of its primary objectives to alleviate poverty and destitution among its people and to bring sustainable development (Gradl & Knobloch, 2010; Sekwati, Hirschowitz & Orkin, 2001). However, it is evident that this has not materialised and these aspirations remain far from being met since South Africa's first democracy in 1994, hence it is imperative to conduct the study on this aspect (Myre, 2014; Padayache & Desai, 2011).

In supporting the above articulation, CSR will always be part of South African businesses. There is much evidence, albeit anecdotal, that social responsibility remained on the agenda of top business (Karlsson & Lindqvist, 2012:34; Ntoi, 2010). Furthermore, Karlsson and Lindqvist (2012) posited that unemployment rate in South Africa is very high at 25% and the unemployment youth rate at 39 percent. The unemployment rate should fall from 24.9 percent in June 2012 to 14 percent in 2020 and to 6 percent by 2030 (Manuel, 2013). This requires an additional 11 million jobs; inter alia: total employment should rise from 13 million to 24 million.

Masete (2011) explains that it is not known how integrated Eskom's socio-economic development projects are in addressing poverty and unemployment. He further asserts that corporate investment practitioners, including corporate social responsibility managers should ensure that CSR addresses the needs of disadvantaged communities by alleviating poverty and unemployment in an integrated manner rather than only counting the number of projects initiated and targets achieved. It is also notable that CSI programmes are put in the hands of Eskom at national level and not where Eskom physically conducts business via CSI Managers and other stakeholders including the community. It is thus evident that business can contribute to CSI programmes at different levels (Masete, 2011; Shongwe, 2008).

It has become a priority for all South African businesses to implement policies and strategies to manage and minimise social problems within the communities they conduct business, (King III Report, 2009). The king code of Corporate Governance further emphasised that gone are the days when boards could merely pay lip service to concerns such as corporate responsibility, ethical business practices and sustainability. It is important to explore the level of commitment displayed by top management of the business in terms of its stakeholder theory in addressing the CSR issues like unemployment, lack of education and poverty

(Mariri & Chipunza, 2011:98). In supporting the former, it is expected that stakeholders and business working together in hopes of mutual gain will have a significant impact on the business. By creating a shared vision between the business and its stakeholders, innovative solutions can resolve old and unresolved gridlocked problems (Eweje, 2006: 101). Moreover, there is an ever present need to investigate this aspect by means of research in the business, in order to explore if Management is committed or simply reluctant to the aspect of the whole issue of CSI initiatives within the communities (Ragodoo, 2009: 19).

Despite all the above hypothesized benefits brought by the implementation of Eskom Development Foundation, Eskom's commitment to the objectives of the government in promoting economic growth in halving poverty and unemployment by 2014 through *AsgiSA*, the National Development plan 2030, and the contribution made by the return to service of previously mothballed power stations, the major problem identified is that there is still *high unemployment rate within the Ermelo and Balfour communities*.

These two towns are situated next to Camden Power Station and Grootvlei respectively as noted on above paragraphs. Ermelo has a total population of 83735 while Balfour has a population of 42390. The official unemployment rate at Ermelo is 26.8% and the youth (15-34 years) unemployment rate is 34.5% (Broumels & Main, 2014; *Stats SA*, 2011). Broumels and Main (2014) denote that the unemployment rate at Balfour is 37.20% and the community is still faced with the challenge in terms of the provision of adequate and appropriate facilities to meet their needs, especially the disabled and learners with special care needs, low skills level and lack of educational facilities. Broumels and Main (2014) assert that there is a high unemployment rate within the communities of Balfour and Ermelo. Currently, there are almost 29000 unemployed youth at Ermelo and 16000 at Balfour respectively. These towns have experienced a series of social unrests in the past years as protestors demanded jobs from Eskom for their "fundamental economic change". The protestors claim that they were promised better jobs during the return to service of this power stations, but their living conditions has not changed. The unemployed youth regard these power stations a "damp squib" as their hopes of getting sustainable jobs have not materialised. The unemployed community said Eskom cited lack of skilled people as the reason for excluding locals in the jobs, but they are not even trained or developed for this type of work (Bredenhaan, 2014; Yende, 2013).

Using Camden and Grootvlei power stations as a case study, the study seeks to explore the experienced outcomes of CSR initiatives by the community of Ermelo and Balfour. Furthermore, to explore the involvement of these two power stations in executing CSR programmes to attain the sustainable development and improving the livelihood of the community. The researcher is not aware of any previous research of the two power station's corporate social responsibility initiatives in South Africa. This research would likely contribute to knowledge on CSR initiatives of the two power stations and in South Africa.

### **1.5 Purpose of research**

The purpose of the study is to explore how the two power stations are involved in the management of CSR programmes within their communities to ensure sustainable development and improve the livelihood of the people.

### **1.6 Research question**

The present study seeks to answer the following question:

What is the contribution made by selected power stations to the phenomenon of Sustainable Community Development as it relates to the alleviation of poverty, education and unemployment?

### **1.7 Aim and objectives of the study**

The study intends to explore the extent to which corporate social responsibility initiatives are sustaining the livelihood of the community around Ermelo and Balfour.

Primary objectives:

- To explore the constructs leading to the existence of current social problems and effectiveness of current CSR practices.

Secondary objectives were as follows:

- Explore the community awareness of Eskom's initiatives towards SCD;
- Exploring the perceptions of participants about the responsiveness of CSR initiatives to provide sustainable employment opportunities and training to unskilled community;
- To explore factors inhibiting successful implementation of sustainable development (factors of SCD > efficiency);
- Explore available programmes for sustainable development of the community in terms of training and development.

## **1.8 Research approach**

The qualitative methodology approach was found appropriate because there was a need to understand the experiences of people and to evaluate the experiences of people involved, and how they dealt with CSR on a day-to-day basis (Flyvbjerg, 2011:301). Leedy and Ormrod (2010) assert that qualitative research method is appropriate when a researcher is trying to understand a new phenomenon in a particular situation rather than trying to establish a relationship between two or more variables. It provided the researcher with flexibility and freedom needed to explore the phenomena where literature is lacking and thus, helped to highlight important variables for future research. Furthermore, it focused on how participants viewed and understand the phenomenon of CSR and constructed meaning out of their experiences.

## **1.9 Research design and Methodology**

Within a qualitative framework, the case study approach was identified as appropriate for use in this study and is inclined to be interpretive in nature (Prasad, 2005:13). He further posited that ‘interpretative tradition’ emerged from a scholarly position that takes “human interpretation as the starting point for developing knowledge about social world.” The primary purpose of case study was to understand something that is unique to the groups or individuals by collecting rich and thick data from these individuals (Yin, 2003; Dibley, 2011) and also supports the deconstruction and the subsequent reconstruction of various phenomena. Furthermore, practical recommendations on how to implement and improve CSR on already implemented initiatives could be derived from personal experiences of others through case studies, learn about participants’ views regarding the research problem, reporting their stories, situating them within their context or setting and building understanding from the ground up. De Vos, Strydom, Fouche and Delport (2011:320) indicate that in case study design researchers are interested in the meaning the subjects give to their life experiences, in order to immerse themselves in the activities of a single or a small number of people in order to obtain an intimate familiarity with their social world. For the purpose of this study, Camden and Grootvlei power stations were used as case studies to explore whether their CSR initiatives has made any changes or not on the livelihood of communities within which they operate, namely; Ermelo and Balfour.

In this study, the researcher explored the views of Camden and Grootvlei power stations’ Management, the CSI Project Manager and the community of Ermelo and Balfour on Eskom’s contribution to the phenomenon of sustainable community development, inter alia:

alleviation of unemployment, education and poverty. The data were collected by means of semi-structured face-face interviews and adopted open-ended questions in order to gather rich and raw information and to interact with the participants (Creswell, 2003:188).

The data was analysed using a thematic analysis as there was a need to search for and identification of common trends that extent across the entire interview or couple of interviews (De Satis & Noel Vigariza, 2000). The thematic analysis is an independent qualitative descriptive approach meant for identifying, analysing and reporting patterns or themes within the data (Braun & Clarke, 2006: 79). The researcher used ATLAS.ti, a computer assisted qualitative data analyses software cantered around theory building (Muhr, 1991) to support the complexity of qualitative analysis, to manage and speed up the data analysis( Friese, 2012). Before the data was analysed, data was transcribed, inter alia: Texts from interviews and audio recordings were typed into a word processing document. All transcripts were then opened in a Hermeneutic Unit, the storage area for data, codes and memos (Malley, Hurwitz & Duffy, 1986). All collected data was assigned a code label, and then the words of the participants and terms that related to the situation were used. This allowed the location of all texts that fit on a code label and managed to see which participants discussed an issue in a similar or different way and were grouped under different categories. Moreover, the ATLAS.ti allowed the researcher to separate data into stakeholder group, examined themes in isolation and compared different quotes that emerged.

The study was feasible because the researcher, as an Eskom employee, had access to the required information and participants. The permission was also obtained to conduct this study within Eskom business.

Preliminary exploration was used to explore the relevance of the topic and the semi-structured schedule. The researcher managed to identify and correct the imperfections by exploring a questionnaire with a selected few people in order to establish their clarity. The preliminary exploration also assisted in eliminating ambiguous questions, as well as generating useful feedback on the structure and coherent flow of interviews (Babbie & Mouton, 2010:244).

The study was originally delineated to the total population of 25 participants; however, only 17 participated in the study due to unavailability and other commitments.

### **1.10 Definition of key concepts**

There are several key terms that were used throughout this study. In order to facilitate a clear understanding of these terms, they are briefly defined here and elaborated on more fully in the review of the literature chapter.

#### **1.10.1 Sustainable development:**

The term refers to the long-term stability of the economy and the environment; and only achievable through the integration and acknowledgement of economic, environmental, and social concerns through the stakeholders who participate in decision making (Stoddart, 2011).

#### **1.10.2 Community:**

A community defined as a group of people with diverse characteristics and is linked by social ties, they share common perspectives, and engage in joint action in geographical location or an area (Macqueen, Mclellan, Metzger & Kegeles, 2001: 1929).

#### **1.10.3 Social responsibility of a Business:**

Bowen's (2013) defines *social responsibilities of the businessman* and it refers to the obligations of business to pursue the policies, to make decisions or to follow those lines of action which are desirable in terms of the objectives and values of the society.

#### **1.10.4 Development**

Development is defined as a process that increases choices. It means new options, diversification within the community, improvement, a direct attempt to improve participation, thinking about apparent issues differently and anticipating change. It is a gradual growth of community to become more advanced and stronger (Christenson & Robinson, 1989; Sen, 2001).

#### **1.10.5 Community engagement**

The concept is defined as the process of working collaboratively with and through groups of people affiliated by geographic proximity, special interest or similar situations to address issues affecting the well-being of those people. It is a powerful vehicle for bringing about environmental and behavioural changes that will improve the health of community and its members. It often involves partnership and coalitions that help mobilize resources and



influence systems, change relationships among partners, and serve as a catalyst for changing policies, programs, and practices (Driscoll, 2008:39).

#### **1.10.6 Corporate Social Investment vs Corporate Social Responsibility**

Corporate Social Investment refers to business contribution to offer financial support to community and society that are extraneous to its regular business activities for social development activities. CSI is been observed as a new notion that attracts the attention of management (Freemantle, 2007). CSI is also described as one part of CSR and means an investment into the community (Karlsson & Lindqvist, 2012). Current trends have propelled business to be more proactive and participate in socio economic development of community within their vicinity. In summary, CSI is mainly charitable or philanthropic giving in order to support business development objectives.

Corporate Social Responsibility means that business, on their own initiative, are actively involved in community development, (Karlsson & Lindqvist, 2012). The corporate social responsibility emphasizes organizations response to economic, social and environmental considerations. It is a topic that requires unique expertise in many areas and demands long-term thinking. The CSR notion is discussed in more details in chapter 3.

#### **1.11 Ethical considerations**

Ethical considerations are important to research and the researcher will ensure that all key components of ethics are addressed by using agreed standards (Morrow, 2009). The researcher will take into consideration the ethical issues that will likely be faced during data collection and place measures that will ensure the safety, privacy and the confidentiality of the participants. The ethical practises of the study will be supported by; protecting research participants, safeguarding confidentiality and privacy of participants (Rosnow & Rosenthal, 1996).

The researcher will also request permission from Eskom academy of learning (EAL) to conduct the study at both Camden & Grootvlei power stations and obtain ethical clearance from the University of South Africa (Unisa) to conduct the study. The researcher will also pay serious attention to the following guidelines for good research practices: informed

consent, confidentiality and privacy, securing of data and avoiding harm to participants. All these practices are known as the four ethical criteria during the research.

Summary: In accessing selected participants, the researcher will use informed consent to get permission from participants. The informed consent will provide the following information which will enable participants to decide whether to participate or not:

- The purpose of the study will be provided to the participants so that they understand what the study is all about.
- The rights of the participants- the researcher will give a clear indication that if they choose to participate in the study, should they feel uncomfortable; they may withdraw from the study at any given time without providing a reason. This is very important but raises the issue of how difficult the participants can withdraw after developing friendly relationship with the researcher (Ford & Reutter, 1990; Connelly, 2014). The protection of participants from any harm is inevitable.
- Voluntarism – the researcher will explain from the start that the study is voluntary and nobody will be forced to participate. Furthermore, the researcher will provide a “Noncoersive disclaimer” which states that participation is voluntary and no penalties are involved in refusing to participate. There will be no relationship that is jeopardised.
- Anonymity – the researcher will not use personal identifiers and names throughout the interviews as well as when writing the report.

## **1.12 Conclusion**

This chapter provided the importance of conducting this study, problem statement, the aim and objectives of the study, the main research question, the briefly research methodology and how data was analysed; the key concepts were also defined briefly and all steps regarding the ethical considerations were highlighted. The next chapter will give an overview of Eskom business practice regarding corporate social responsibility.

## **CHAPTER TWO**

### **2 ESKOM BUSINESS PRACTICES AND ENVIRONMENT**

#### **2.1 Introduction**

Eskom is the country's primary electricity supplier and is wholly owned by the South African government and also known as state owned enterprise (SOE), (Department of Public Enterprise, 2000:131-132). Furthermore, the utility is one of the 15 utilities in terms of generation capacity with a nominal generating capacity of 41 900 MW (2012: 41 706). It generates approximately 95% of the electricity used in South Africa, with more than 83% of households having access to electricity and more than 40% of the electricity used in Africa. It operates 27 power stations capacities differentiated as follows: 13 coal-fired, 4 open cycle gas turbine(OCGT), 6 hydroelectric, 2 pumped storage scheme, 1 wind energy farm and 1 nuclear power station (Gross, 2012). Eskom is the largest producer of electricity in Africa, and among the top seven utilities in the world in terms of generation of capacity and among the top nine in terms of sale (Eskom Integrated Report, 2013).

Eskom operates a number of notable power stations, including Camden and Grootvlei which were also returned to service to meet the rising electricity demand in South Africa. According to the Multi Year Price Determination 3 (MYPD 3), the utility is nine years into a major capacity expansion programme that will deliver additional power stations and major power lines to meet the rising electricity demand, with a total budgeted expenditure of over R340 billion (excluding capitalized borrowing costs) to 2019 (MYPD 3, 2014-2018).

To finance the programme, Eskom has raised more than R180 billion in debts on local and international capital markets. It expects to increase this to over R360 billion by the end of the capacity expansion programme. Key to the availability of and cost of this debt is Eskom's rating with international credit-rating agencies. Currently, the utility relies on government support to anchor its investment-grade rating. Eskom is working to achieve a standalone investment-grade rating to minimize the need for this support in future.

Most rating agencies see the company's current financial ratios as weak and expect this to be the case for the next three years (MYPD3, 2014-2018).

## **2.2 National Energy Regulator of South Africa**

The National Energy Regulator of South Africa (NERSA) is a regulatory authority established as a juristic person in terms of Section 3 of the National Energy Regulator Act, 2004 (Act 40 of 2004). NERSA's mandate is to regulate the electricity, piped-gas and petroleum in terms of the Electricity Regulation Act, 2006 (Act No. 4 of 2006), the Gas Act, 2001 (Act No. 48 of 2001) and the Petroleum Pipelines Act, 2003 (Act No. 60 of 2003), (NERSA Integrated Resource Plan, 2010). NERSA's mandate is further derived from written government policies as well as regulations issued by the Minister of Energy. NERSA is expected to perform the necessary regulatory actions in anticipation of and/or in response to changing circumstances in the energy industry.

## **2.3 Eskom's Multi Year Price Determination**

The current Multi-Year Price Determination, MYPD2, ended on 31 March 2013. Eskom must submit an application to NERSA, who will determine the country's electricity price adjustment for the next period and tariff structures for 2013/14 (NERSA Annual Report, 2011-12). In contrast to MYPD 1 and MYPD2, both of which spanned three years, Eskom is proposing a five-year determination for MYPD 3, running from 1 April 2013 to March 2018. This is to ensure a more gradual and predictable price path for households, businesses, investors and the country as a whole.

Eskom's five-year revenue request translates into average electricity price increases of 13% a year for Eskom's own needs, plus 3% to support the introduction of Independent Power Producers (IPPs), giving a total of 16%. This represents a total price increase from the current 61 cents per kilowatt-hour (c/kWh) in 2012/13 to 128 c/kWh in 2017/18. This revenue request includes targeted savings in operating and primary energy costs due to targeted improvements in efficiency over the period (MYPD 3).

In contrast, the transition towards cost reflectivity poses several challenges. Eskom believes poor households should be protected from the impact of electricity price through targeted, transparent cross-subsidisation in accordance with a national cross-subsidy framework. Failure to achieve cost-reflective prices sooner will impact on South Africa's economy and its growth prospects.

The MYPD 3 revenue application aims to find an electricity price path that contributes to long-term economic growth and job creation while minimising the short-term effects on vulnerable sectors and offering protection to low-income households.

## **2.4 Eskom's current major challenges**

The current environment which Eskom operates poses a number of short-term challenges:

- The revenue shortfall of R225 billion created by the MYPD 3 determination requires significant shift in the business;
- The power system will remain constrained from 2014 till 2019 exacerbated by changes in emission licenses;
- The higher OCGT usage as a result of lack of availability of the tools which were proposed previously is no longer available, that is, (Power buy back). Eskom is in a difficult situation and cannot afford to run the OCGT's at the current load factors and will not maintain the R20 billion liquidity buffer if the current OCGT's usage continues;
- Lower projected sales are increasing the projected revenue shortfall;
- Increased pressure on the credit rating associated with the country's credit profile and Eskom's financial profile;
- Cable and Electricity theft; and
- The utility business model is changing not only in Africa but also globally and Eskom needs to refine its business model in order to ensure long term growth and agility.

## **2.5 Eskom's Revenue Management**

Specific decisions have been taken with regards to revenue management as follows:

- Follow through on the disconnection and adverse listing of defaulting customers;
- A request is made to National Government (Department of Public Enterprise and National Treasury) to enforce electricity revenue ring-fencing in municipalities and direct amounts in arrears to Eskom;
- The department of justice will be engaged regarding the setting up of special courts or resources to deal with electricity theft and enacting a provision in the legislation making electricity theft a statutory offence; and
- The option of pre-paid will be considered for municipalities.

## **2.6 Eskom's Transformation and Social Sustainability**

The South African environment in which Eskom operates poses the challenges of unemployment, poverty and inequality. Therefore, Eskom has created a transformation strategy that articulates its commitment to contributing to the resolution of these challenges.

The Eskom Transformation Strategy is aimed at doing the following:

- Develop skills to promote employability;
- Grow the business in order to create jobs; and
- Increase equity for social and economic participation.

The strategy acknowledges the role of leadership in creating a culture that is supportive of transformation within the organisation and externally to Eskom and will be executed through focusing on the following areas:

- Corporate Social Investment (CSI);
- Internal transformation and skills development;
- Supplier development and localisation; and
- Organisational culture.

## **2.7 Supplier development and localisation plan**

Eskom, like other state-owned enterprises, operates in a complex policy and legislative environment (Eskom Annual Integrated Report, 2011). As acknowledged in the National Development Plan (Vision 2030), Eskom plays a central development role as an enabler of Government's vision and a supporter of economic growth in South Africa (Manuel, 2013). According to the National Development plan, South Africa will have an energy sector that promotes; inter alia; 1). Economic growth & development through adequate investment in energy infrastructure; 2). Social equity through expanded access to energy services, with affordable tariffs and well targeted and sustainable subsidies for needy households; 3). Furthermore, the NDP aims to eliminate poverty and reduce economic imbalances of the past by 2030. According to the plan, South Africa can realise these goals by drawing on the energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnerships throughout society.

Environmental sustainability through efforts to reduce pollution and mitigate the effects of climate change. In addition, more than 65 percent of the population should enjoy access to electricity within 20 years. In response to the national and local development objectives of

ensuring that all South Africans attain a decent standard of living through the elimination of poverty and reduction of inequality, as well as to leverage the large capital and operational spend of the business, Eskom developed a Competitive Supplier Development Programme in 2008 to build a foundation for industrialisation. However, Eskom has since enhanced its local development objectives to focus on meeting the revised priorities of National Government, which include delivering on its revised mandate, that being to achieve maximum and sustainable local development impact through leveraging Eskom's procurement spend in a manner that allows flexibility within the business and accommodates local government development initiatives and policies (Eskom Corporate Plan, 2014-2018).

According to Eskom Corporate Plan, the Eskom supplier development and localisation plan aim to drive supplier development and localisation within the larger supplier environment, ultimately leading to:

- enhanced local industrialisation, as larger international manufactures will need to establish related and/or non-related (to the commodity they are supplying) manufacturing plants in South Africa.
- the reduction of dependency on imports, especially of engineering-related commodities, as manufacturing industries and related skills development within South Africa will increase; subsequently, exports of these products could increase, and foreign exposure could be reduced by enabling localisation initiatives.
- enhancing the local skills base through focused training and development plans, which can include on-the-job training, as well as enabling learners for scarce skills training( to enable learners to obtain a minimum qualification of: N4 certificate Artisan Diploma).
- enabling local job creation through the establishment of industries, as well as increasing the capacity of current manufacturing plants (due to increased demand locally and from abroad).

## **2.8 Eskom's Sustainable Development**

"The challenges we face are often not unique to Eskom, they are national challenges facing all South Africans such as economic growth, job creation and transformation (Tsotsi, 2011)." According to Tsotsi (2011), Eskom has been an economic enabler in South Africa for many years and have been in the forefront of transformation. He further reiterated that Eskom's

plan is to support the World Business Council for Sustainable Development's vision for 2050 and the time has come the business make some change towards a better future and better quality of life for all.

In terms of research setting, Eskom is shaping the development of South Africa through six exploratory areas, inter alia: Contribution on local community; employer, job creator and skills developer; a catalyst for change in South Africa and Enabler of South African development through electricity provision (Dames, 2011). Eskom is also required to become a leader in sustainability to guide South Africa towards a future that promises a better quality of life for all. Furthermore, the Eskom business is committed to an affordable and security of supply that need to be balanced with the effectiveness on the environment, society and the economy.

Sustainability is a vital element of Eskom's CSI interventions. It is considered both in the development of Foundation strategy and project level. Eskom's sustainability strategy was developed in 2004 to integrate the organisation's economic, social and environmental goals and to ensure the beginning of good practice. In the Eskom context, Sustainability emphasises the need to include all there pillars of the triple bottom line (Eskom Development Foundation Report, 2011). In addition to these three pillars of sustainable development, the support is provided in terms of education from early childhood development phase onwards. The long-term goal is to contribute to the improvement of Grade 12 results. The focus is good results in mathematics and physical science to pursue career in engineering and technical disciplines in order to achieve the needs of human resources aspirations for Eskom and South Africa.

Furthermore, support for further education is provided to prepare the youth for employment and draw the pipeline from which to draw technical skills. These prepare the candidates not only for Eskom, but any business (Masete, 2011:18; Shongwe, 2008:35).

## **2.9 Contributions by Camden and Grootvlei**

Camden and Grootvlei has made substantial contributions to the previously disadvantaged communities through philanthropy and donations as articulated by Moerane (2013), that Camden has substantially contributed to disadvantaged kids through philanthropy and



donations. The Camden young professional (YP's) hosted a Christmas party for the disadvantaged kids from around Ermelo where the Power plant is situated. The YP's had a 'toy-run' at the plant, which is the initiative that encourages employees to donate toys to the underprivileged. The type of initiative is solely aimed to bring joy to kids during festive season. The YP's managed to collect clothes, stationery and snacks. The Camden management also contributed by sponsoring the meals, party packs, jumping castle and trampolines.

Eskom Grootvlei, has contributed park homes to Ekukhanyeni youth center and Siyathemba primary schools. Siyathemba was established in 2004 and has been struggling with a shortage of classrooms. The assistance to schools also came in the form of upgrades of sports facilities, palisade fencing and supply of copier machines.

## **2.10 Eskom Reputation**

The risk to Eskom's reputation lies in the fact that there is hidden danger that can pose a threat in ways such as international investment difficulties, lost revenues and occasionally may result in a change at the uppermost levels of management. Reputation is a key enabler with regard to being seen as legitimate by the stakeholders and therefore is closely linked to license to operate. It is critical to monitor the causes that give rise to reputational damage, and as more often than not, reputation is a consequence of other risks or events that are or have ineffectively treated by the organisation. The following are examples from normal business and crisis-related events:

- Loss of electricity supply to customers;
- Labour unrest;
- New build programme delays and cost overruns;
- High price application by Eskom, the MYPD 3;
- Unethical behaviour; and
- Public perception with regards to salaries, bonuses, leadership and opulence.

Considering the accolades awarded to Eskom, one would assume a relatively low reputational risk. However, looking at the current states of emergency declared on electricity supply, two new risks exist with reputation as main consequences:

- The failure of not communicating the right message ( consequences of high demand in relation to low available supply) which will not result in the reduction in demand; and

- Not driving and sustaining the required initiatives (for example, built programme, CSI, 49M campaign and Eskom brand).

## **2.11 Conclusion**

The impact of NERSA's determination of 8% tariff increase from the applied tariff increase of 16% requires significant changes to the business. In this regard, Eskom has developed strategic responses to ensure its sustainability in a changing environment. Therefore, Eskom's response plan has been used as the platform to develop the Corporate Plan.

Eskom Business can be limited in their implementation of CSI for sustainable business practice by external factors that are beyond their control, such as government policies, current financial crisis, the attitudes of stakeholders and their lack of interest. But also internal obstacles within the company might exist. The main barriers with the implementation of sustainable business practices outlined are the involved costs as many fear that this step change is prohibitively expensive, the complexity of the concept and the lack of information and support.

The utility remains focused on achieving its strategic objectives stated in the plan through disciplined execution and stewardship and remains committed to contributing to development of the South African economy. Eskom recognises its responsibility to society and industry to provide an enabling environment that fosters welfare, economic growth and equality. The utility has achieved significant success during the past years, and plans to improve operations, strengthen its partnerships and continue to build strong skills.

Eskom's vision to provide sustainable electricity solutions of growing the economy and to improve the quality of life of the people in South Africa and in the region remains a status quo. The engagement with various stakeholders is key to address the challenges that the utility faces in its drive to ensure long-term sustainability of the organisation. Eskom also requires support and decisions from the shareholder and policy makers.

## **CHAPTER THREE**

### **3 A LITERATURE REVIEW ON CORPORATE SOCIAL RESPONSIBILITY**

#### **3.1 Introduction**

The purpose of this section is to describe the context in which CSR, as a concept and practice, has emerged, provide brief explanation of the term CSR and the origin of its meaning. The chapter also seeks to conceptualise the fundamental aspects of sustainable community development and corporate social responsibility. Eskom's development objective is to improve individual and community life in an integrated and sustainable way. These will be used to explore CSR at Eskom's power stations, in terms of its influence on SCD around Ermelo and Balfour. It is absolutely important for any developmental programmes to be guided by vision or theory. It is thus very important, in the theoretical framework, to investigate the developmental theories and practices from which SCD theory and practice originates.

The second part of the chapter focuses on describing the context in which CSR, as a concept and practice, has emerged, and by providing a brief background of the term CSR and the evolution of its meaning. This is a review of the landscape of the debate about the role of CSR initiatives in community development.

#### **3.2 Background of CSR**

According to Lee (2008:54), the early roots of social responsibility can be traced back to 1917, during the time when Henry Ford made a statement that the aim of Ford Motor Company is to do as much as possible for everybody concerned, to make money and use it, offer employment opportunities, and send out the car where people can use it and incidentally make money. The literature reveals that after about 80 years, William Clay Ford Junior, emphasised that Ford company valued all stakeholders' interest as well as the social welfare of employees and stakeholders, as he said that "we want to find ingenious new way to delight consumers, provide superior returns to shareholders and make the world a better place for us" (Meredith, 1999:157).

It is argued that from a corporate practice perspective, Ford was one of those corporates that initiated social responsibility activities. However, many scholars believe that Bowen's social responsibility of the Businessman (1953) is the first work to discuss the relationship between corporations and society (Carroll, 1979; Wartick & Cochran, 1985:758). Bowen (1953)

emphasised that corporations need to be cognisant of their ethics to achieve long-term superior performance. According to Maignan and Ferrell (2004:3-19), CSR initiatives are very important in the context of corporate ethics. There are several findings that have caught the attention of CSR practitioners and scholars. These include studies which suggested that CSR activities do provide an “insurance-like” protection when negative and adverse events happen (Godfrey, Merrill & Hansen, 2009:425); that this activities do not only influence sales growth, but also influence employment and investment domains and that corporations with higher CSR performance rating may have a sustainable competitive advantage rooted in return in human capital as they attract more and more employees than those with lower CSR performance rating (Turban & Greening, 1997:658). Therefore, in order to pursue sustainable development, and achieve a good reputation in a fiercely competitive market, more and more corporations are publishing their CSR disclosures and CSR reports.

In South Africa, accountability and duties of corporations are highlighted, especially since the country is faced with severe social, political and economic tribulations, including the legacy of apartheid. Business is facing growing pressure and demands from society to become part of the solution to these problems, particularly the problems of sustainable jobs, poverty alleviation, BBBEE, education and HIV/AIDS.

It is worth noting that CSI is a phenomenon for South African society that implies the activities which companies do as a contribution to the community. This concept was initiated during the apartheid era and was considered necessary to survive on the international market when South Africa’s political was critical. It is the one in which CSR activities were initially interpreted as corporate or strategic philanthropy with specific emphasis on education and health care, especially HIV/AIDS, and welfare at both local and national levels. CSI encompasses projects that are external to the normal activities of a business and not directly for purposes of increasing business profit. These projects are considered to have a strong developmental approach and utilise the resources within the business to the benefit and upliftment of the community, not for marketing initiatives and that these CSI programmes have become more focused on sustainable development, governance issues and ethics (Hamann, 2009: 438-443).

CSI refers to business contributions to society and community that are extraneous to its regular business activities- whether such investment is monetary, or in the form of other

business resources or time. While CSI might be a charitable or philanthropic giving, it increasingly serves to support business development objectives. As such, CSI is an important part and sub-set of CSR, but should never be interpreted as being synonymous to CSR, but used interchangeably in some contexts where the source documents or participants do not make delineations. CSI means an investment into the community (Karlsson & Lindqvist, 2012:34).

CSI is considered as one of the sub-components of CSR and aims to uplift community in such a way that a quality of life is generally improved and safeguarded. In supporting the latter and according to Bowen (1953:6), CSR entails the obligations to pursue the policies, to make decisions or to follow those lines of action which are desirable in terms of the objectives and values of the society. Bowen's expectations to businesses is that it should produce social goods such as a high standard of living, widespread economic progress and security, order, justice, freedom and the development of the individual person.

The European Commission (2001) defines CSR as a concept through which companies voluntarily integrate social and environmental concerns into their daily operations and their interaction with stakeholders. Furthermore, the World Bank's working definition of CSR includes another component of CSR - that of development: "CSR is the commitment of business to contribute to sustainable economic development - working with employees, their families, the local community and society at large to improve the quality of life in ways that are both good for business and good for development" (Ward, 2004:3). Moreover, the involvement in the community means that with the resources it owns, a company takes a step further to contribute to development, irrespective of whether it addresses one or two beneficiaries, or the entire community. For the purpose of this study, the definition of CSR by the World Bank had been adopted.

In the study conducted by Ismail (2009:199), CSR simply refers to strategic corporations or businesses conduct their business in a way that is ethical and society friendly. CSR can involve a range of activities such as working with local community, social investments, developing a strong relationship with employees and their families, and being involved in activities for environmental conservation and sustainability.

According to Visser, Matten, Pohl and Tolhurst (2010:315), philanthropy connects business much better to the community as it allows engagement and involvement of Management and to demonstrate care and support. Furthermore, Visser, *et al.* (2010:87) argue that social

redress and transformation, within the King III Report are vital and need to be incorporated within the integrated sustainability reporting since sustainability is a core, primary moral and economic imperative to the business. Sustainability reporting is now widely practiced in South Africa and this offers a glimmer of hope in terms of business becoming more proactive by investing in their community. This seems to offer a mutual win-win solution for both the business and the community. This can be achieved by either supporting sustainable projects or offering of apprenticeship to the youth while building a strong relationship with the local community.

Visser, *et al.* (2010:316) further asserts that the trends have now shifted from responsibility to investment and community development. He argues that the key terms are inclusivity in terms of representative decision making by decentralising and unbundling becoming popular. A long-term approach has been adopted and concept of ad hoc donations has been given away. There is shift from community hand-outs philosophy into a more developmental approach that brings with it community empowerment and sustainability. Joppe (1996) denotes that community development entails the process designed to create conditions of economic and social progress for the whole community, and with its active participation. This focuses mainly on the creation of conditions for economic progress. The community is encouraged to create to create conditions that seek to improve their economic situation.

The multinational companies (MNCs) in the developing countries are expected to provide some social services and welfare programmes in addition to their normal economic activities. They have been asked to devote their attention to the community development programmes. Eweje (2007: 218-235) stipulates that these MNCs provide education, scholarship and build roads in Nigeria.

According to Morsing and Schultz (2006: 323-338), information regarding corporate ethics, social investment and initiatives has the power to evoke strong positive reactions among stakeholders and government. The government is not fully able to take care of its community, population and are responsible to the quality of life of people, the distribution of resources and benefits; interaction between the environment and at the development and provisions for the future, hence business should embark on CSR (Joseph, 2013:442). Therefore, business and companies play an important role in society and try to differentiate from each other through CSR actions (Jamali & Mirshak, 2007:243). In the context of this, businesses regard

themselves as socially responsible in the face of media and the fact remains what impact these businesses has on society on which they operate (Ramlall, 2012: 279).

However, Porter and Kramer (2006: 78) assert that businesses were not aware of their responsibilities towards society; hence they only responded to CSR issues after an outrage they received from community and the compliance with relevant regulations. The impacts manifested themselves as accusations of social and environmental justice. It has been found that such claims, whether true or not, can severely damage corporate reputation and can result in a number of unwanted outcomes, such as: consumer boycotts, attacks on company fleet including other assets, restrictions on operations, such as new legislation and regulation, failure to attract good employees and loss of employee support. One CSR area of application, commonly understood as the process implemented by companies to work collaboratively with and for individual citizens and community groups to address issues affecting their social well-being, concerns 'community engagement' (Bowen, Newenham-Kahindi & Herremans, 2010). Therefore, companies should engage the community to understand their challenges. The CSR in general, increases the visibility of the business and spreads its goodwill and reputation to a wide range of community. Reputation is one of the marketing variables which also relate to judgement by external stakeholders. According to Abdulla and Aziz (2013:344), acquiring great reputation, the firm is likely going to create a competitive advantage that would influence customer satisfaction. This phenomenon is a problem because businesses that separate CSI from core business practices are not only taking accountability for their activities, but are further perpetuating root social problems.

There is no universally accepted definition of CSR, the concept has been defined and employed differently to depict social investment, social involvement, good organizational citizenship in the workplace and the community (Ismail, 2009; Blowfield and Frynas, 2005). It has also been associated with corporate governance, a framework for measurable corporate policies and procedures, managing relationship with stakeholders, ethical conducts, philanthropic donations, sponsorship of local events, poverty eradication, voluntary addressing social concerns, compliance with legal requirements and a concept where by business organizations consider the interests of society by taking responsibility for the impacts of their activities on the community they conduct business.

However, if a greater population of community were uplifted and participated in the formal economy, there would be more potential to develop critical skills that the country lacks, establish a broader consumer base for goods and services or alleviate the destabilising

symptoms of an unequal society, such as crime and service delivery riots. This is described by Eccles, *et al.* (2009:23) as: “This dependence of business on a broader stakeholder group can then be extrapolated to suggest that “healthy societies” will lead to profitable businesses”. As such, social responsibility could be argued to be an essential component of a company’s core business strategy.

From the internal perspective, the practice of CSR is expected to motivate employees and demonstrate a good Management practice and unity of purpose, including more production (Royle, 2005: 42). The external perspective in practicing CSR is expected to earn the business a good reputation in the community in which it conducts business (Gradl & Knobloch, 2010).

The increased awareness of business operations to the community and civil societies is crucial, as it will expect the business to behave in manners expected by society. However, if there are any violations and discordance, there is a possibility of stakeholders responding inappropriately, including labour unrest of local community towards the business (Peter, 2011).

In supporting above articulation, Alim (2007) denotes that it is imperative to resolve challenges and conflicts, enhancing team work and communication and to ensure information is shared. The findings of (Pomeroy and Dolnicar, 2009) indicate that communities are influenced by CSR initiatives if they are aware of them. This is further posited by (Masuku, Chitsike and Moyo;2014) who found that communication strategies and dissemination of information between the business and the community are of paramount importance and can be regarded as best approach to enhance community developmental needs including being aware of initiatives. It has been found that the discourse regarding the awareness of initiatives laid a ground for exploring the community perceptions of initiatives. In the study conducted by (Hailu & Rao, 2014), the awareness of initiatives leads to a more positive responses from the stakeholders. This is consistent with the arguments of (Bhattacharya and Sen; 2004), and (McWilliams and Siegel, 2001) who assert that stakeholders must be aware of initiatives in order to portray a positive responses on their perceptions.

Additional to the above, these could have a negative impact on day-to-day business operations, employees not able to report for work, attack and destruction of business assets (transportation) and suffer financial loss. Furthermore, there is a possibility of protest by



broader social institutions and could result in economic crisis, the disruption in supply of raw materials leading to operational hindrances (Bhattacharyya, 2008:265). Thus, risk Management by doing CSR is not only inevitable and a viable way, but also a strategic move towards reduced economic loss (Kytte & Ruggie, 2005; Osemene, 2012).

Eskom, as a contributor to social and economic development, has a responsibility to create an environment in which community are empowered holistically (Masete, 2011). The development of a community capacity is a crucial component in sustainable development. Eskom development objective is to improve the community where it conducts its business. The aim of this study is to explore whether Eskom does improve the community where it conduct its business.

Liberty (2012) contends that CSI has moved away from ribbon-cutting functions and quick brownie points but CSI programmes that link to corporate strategies and more meaningful ways of contributing to social and economic development. There is further a movement away from how much Eskom invested and the quantity of people it invests on towards a more sustainable and impactful investment strategy. Liberty (2012) maintains that CSI initiatives are aimed at facilitating sustainable socio-economic development in areas surrounding Eskom sites. She further highlights the importance of capacity building, poverty alleviation and skills development programmes which lead to job creation. The capacity building is regarded as the main priority to promote sustainable development in Eskom sites, as well as ensuring the return to service and new power stations impact surrounding community as positively as possible.

The application of CSI can be armoured if areas that include community development, coordination of resources, availability and proper distribution of funds are reviewed and structured from time to time. Liberty's vision is to take CSI in South Africa to a high level. She wants everyone working on CSI arena to pool resources and collaborate. She asserts more can be achieved if all collaborated as the CSI is a R6.6 billion industry.

In August 2012, the Eskom Board SES (Social, Ethics and Sustainability) Committee approved the CSI strategy and mandate, including a significant increase to the CSI budget. The implementation of the strategy has resulted in an actual investment of R194.3 million

against a budget of R200 million, impacting 652 374 beneficiaries in 2012/13. The key focus areas of CSI strategy include the following:

- Providing shared resources for multiple rural schools;
- Implementing programmes for enhanced maths and science education;
- Capacitating educators and institutions; and
- Expanding the Energy and Sustainability programme to include more schools.

There are a large number of potential projects and initiatives requiring Eskom support. However, the impact of the financial sustainability drives and cost Management could drive down the CSI budget in the short-term. This will lead to the limitation of the ability to implement future plans as per transformation strategy. Cuts could delay transformation objectives, reduce impact on beneficiaries, have reputational risk due to commitments not being met, and compromise shareholders relationships. The ability to respond to new requests for assistance to social causes by business and/or strategic stakeholders will be limited, but the existing CSI pipeline will be reprioritised, impacting key initiatives. Furthermore, there is current lack of employment opportunities and given limited opportunities to recruit and promote due to vacancies being capped, it becomes a challenge to achieve a sustainable development within the community. Until budget certainty has been resolved, no new initiatives have been approved and decision making on pipe-lined projects have been deferred (MYPD 3). The potential consequences are:

- reduced impact by way of a decrease in beneficiaries.
- reputation risk due to Eskom failing to meet its commitments.
- compromised stakeholder relationship.

According to Masete (2011), it is inevitable that Eskom becomes aware of poverty-alleviating strategies, as the development of community capacity is a crucial component in establishing sustainable community. Continuous exploration, monitoring and evaluation of projects and programmes could contribute positively to projecting sustainable community.

In supporting above articulations, it is assumed that during financial constraints, organizational behaviour tends to become more conservative and defensive (Cheney & McMillan, 1990: 93). Moreover, they fail to create economic and social value to the organization, fail in reduction of unemployment and increase of Gross Domestic Product (GDP) by high volume production, and fail to increase wealth for the shareholder.

Financial crisis are times that are likely to be characterised by uncertain business environment. Both organization and other parties try to avoid the effect of crisis by remedial action: such as cutting costs by reducing employees, delaying of investments, reducing previously planned budgets for the coming years in a contraction manner and consuming less. The financial crisis has raised the question of whether companies should continue or stop supporting CSR initiatives in financial troubled times (Karaibrahimoglu, 2010: 382). The demand for social projects is higher in times of financial crisis.

Fernandez (2009:36) denotes that companies need to change or redefine their business objectives in relation to social expectations. The organizations need to be innovative and come up with best available solution during the period of financial crisis as the most negative impact of CSR to companies is the potential cost for the implementation of CSR initiatives.

It is important to note that Sustainability is a vital element of Eskom's CSI interventions. It is considered both in the development of Foundation strategy and project level. Eskom's sustainability strategy was developed in 2004 to integrate the organisation's economic, social and environmental goals and ensure the beginning of good practice. In the Eskom context, sustainability emphasises the need to include all there pillars of the triple bottom line (Eskom Development Foundation, 2011). In addition to these three pillars of sustainable development, the support is provided in terms of education from early childhood development phase onwards. The long-term goal is to contribute to the improvement of Grade 12 results. The focus is good results in mathematics and physical science to pursue career in engineering and technical disciplines in order to achieve the needs of human resources aspirations for Eskom and South Africa.

Furthermore, support for further education is provided to prepare the youth for employment and draw the pipeline from which to draw technical skills. These prepare the candidates not only for Eskom, but any business (Masete, 2011:18; Shongwe, 2008:35). The two Eskom power stations under study; Camden and Grootvlei have made substantial contributions to the previously disadvantaged community through philanthropy and donations. As articulated by Moerane (2013), Camden has substantially contributed to disadvantaged kids through philanthropy and donations. The Camden young professionals (YP's) hosted a Christmas party for the disadvantaged kids from around Ermelo where the power plant is situated. The YP's had a 'toy-run' at the plant, which is the initiative that encourages employees to donate

toys to the underprivileged. The type of initiative is solely aimed to bring joy to kids during festive season. The YP's managed to collect clothes, stationery and snacks. The Camden Management also contributed by sponsoring the meals, party packs, jumping castle and trampolines.

Eskom Grootvlei, has contributed park homes to Ekukhanyeni youth centre and Siyathemba primary schools. Siyathemba was established in 2004 and has been struggling with a shortage of classrooms. The assistance to schools also came in the form of upgrades of sports facilities, palisade fencing and supply of copier machines. In principle, Eskom is applying the sustainable community developmental projects. However, the level and areas of practice in implementation have not yet been established, which consequently forms the basis of this research.

### **3.3 Corporate social responsibility and society- theories**

After defining CSR, a business may conduct a series of CSR-related activities to meet that definition. The only way business performs its CSR is based on its understanding of how CSR should be implemented. Similar to CSR definition, implementation of CSR includes a great proliferation of theories, approaches and terminologies. The various theories of CSR could be classified into three groups for better understanding, namely; the utilitarian theory, managerial theory and relational theory (Secci, 2007:350). Based on these theories, CSR is perceived as a consequence of how the relationship between business and society is understood.

#### **3.3.1 Utilitarian theories**

In this set of theories, CSR is considered only a tool to achieve economic goals. CSR ideas emerged after a realization that there is a need for an economics of responsibility, embedded in the business ethics of the business. Friedman (1970) asserts that increasing the profit is the only social responsibility of business. These theories could be taken synonymously to instrumental theories in which the corporation is seen as only an instrument for wealth creation, while its societal activities are only the means to achieve economic results (Garriga & Mele, 2004: 51-74). Instrumental theories were also based on the basic idea about investment in a local community in which Friedman (1970) strongly argues that the investment will be in long run provide resources and services for the livelihoods of the people

in the community. Focusing on making profits does not contradict satisfying the interests of people who have a stake in the business.

It is suggested that satisfying shareholders' interests can contribute the maximisation of shareholder value. However, business not only need be concerned about how to best meet the interests of their shareholders, but also interests of community at large. In this sense, this theory takes on significant meaning not only with respect to fulfilling social responsibilities and the development of business, but also with respect to the development and sustainability of the community. Putting it from internal point of view, CSR was coined as a defence tactic of the industrial system against external attacks because there needs to be a balance between making profit and social objectives for the economic system to be stable.

### **3.3.2 The Managerial theories**

These theories aims to measure comprehensively the contribution the social variables make to economic performance. Thus, managing the business in consideration to both social and economic factors becomes a challenge to the business as there is an assumption that business depends on the community for its growth and to become sustainable. It is expected that there should be a measurement to explore the way CSR is compatible with the mission of the core goals, specificity gauges the advantages of CSR assimilation into the business, the reaction of business to demands from the community, contribution and generosity of businesses to implement CSR and how the visibility and commitment of the business is perceived by the community. It is noted that the managerial theory generates interest in the sense that CSR considers socio-economic variables to measure business' socio-economic performance as well to link social responsibility ideology to business strategy. This detailed information helps to keep existence of businesses in the corporate chains. Furthermore, social accountability, auditing and reporting (SAAR) procedures are strictly related to social performance contributions and accountability of the business actions. In so doing, businesses are controlled and regulated in their own actions towards performing their core business while responsible to the relevant community (Secci, 2005: 135). Businesses are involved in SAAR activities for communication needs, to have better stakeholder involvement and for discloser concerns.

Managerial theories are also strongly related to political theories based on the conceptualisation by Garriga and Mele (2004) and Detomasi (2008:807). This theory focuses on interactions and connections between business and society. It also concerns the power and position of the business in the society. Business, as a social institution, has power and it impacts the community in which it operates and expected to use its power responsibly. The social power that a business has considers that it has social responsibilities. In support of this articulation, Detomasi (2008) argues that strategies businesses choose to adopt CSR initiatives are dependent on the political situation existing in that specific area.

### **3.3.3 Relational theories**

Despite the hypothesised benefits of CSR articulated on the above paragraphs, the most trenchant criticism of CSR has come from the right of the ideological spectrum. The neo-liberal critics of CSR have major problems with businesses doing anything other than maximising the profits for their shareholders. They believe that business should only focus on their economic and legal obligations, minimise costs and maximise profits within the laws and regulations of that land. Furthermore, Sencer (2007:77-82) maintains that proper guardians of public interests are governments and proper business of business is business without any apology. They tend to see CSR endeavours as immoral, dangerous, repugnant and misguided adventures (Friedman, 1970). As a strong activist of capitalism and a critic of CSR, Friedman emphasised the need to ensure that business leadership and Management use the monies and resources of businesses in such a way that it benefits the business and nothing else. He further argued that the only moral imperative and socially responsiveness of the business is to make as much profit as possible for their stakeholders and referred to CSR as a “fundamentally subversive doctrine”. This viewpoint enforces the thinking that social responsibility programmes are peripheral to the challenges of corporate Management and social issues distract business from their core competence.

Drucker (2004) argues that all executives who want to be involved or are involved in social responsibilities should be fired very fast. From this ideological spectrum, critics have also argued that CSR initiatives are simply ostensible. This means that they are simply public relations stunts by companies and grand illusions designed to mesmerize an increasingly cynical public and ease their conscience, while getting away with their intransigencies, with

law contraventions and corporate malfeasance with as little cost as possible. This implies that CSR is a tantamount to social conscience spending.

In supporting above articulations, the primary aim of this study is to explore the contribution made by the two selected power stations in terms of their CSR initiatives in alleviating poverty, job creation and skills development to allow respective community the capacity to intervene in the world or refrain from intervention, with the effect of influencing a process or state of affairs. It is also important to understand what is currently been done in order to stimulate a culture of innovation and creativity among the business and community so that new ideas can be commercialized (Pholi, Black & Richards, 2009; Peredo and Chrisman, 2006:309). These include employment, poverty alleviation and education.

### **3.4 The Concept of Sustainable Community Development**

Community development is a multidimensional concept to which corporate social action can either contribute or undermine the creation and maintenance of economic, social, political, human, and cultural capitals of communities. According to Idemudia (2007b:5), this concept refers to the process by which the efforts of the people themselves are linked with those of other stakeholders, agents and actors to improve the socioeconomic and cultural condition of the community and in turn, leading to people becoming more competent to fully contribute to national progress and able to live with and gain some control over local conditions and the changing world.

Sustainable development is all about giving a community a chance to play its role in the use of resources in a sustainable and progressive manner, with the intent to meet their current needs without compromising the community's future socioeconomic and cultural conditions. Furthermore, sustainable community development is about creating opportunities to tackle all dimensions of business-poverty relationship. The goals of sustainable community development (Idemudia, 2007b) are, inter alia: 1). improved socioeconomic and cultural conditions of the community; 2). community empowerment; 3) capacity building and self-help in host communities. The purpose of corporate social action then is to respond to problems of low skilled levels of education, material deprivation, and development, maintenance of human, economic, ecological and social capitals in the local community.

The low skill level ought to be addressed by through engaging in activities intended to build to build community human capital, inter alia; 1) training for skills development; 2) civic engagement; 3) developing and encouraging entrepreneurial spirit. Furthermore, the economical capital, inter alia; 1) building roads; 2) employment and job creation; 3) social infrastructure development; 4) access to capital, housing and health care, (Muthuri, 2008a:56).

In achieving the fundamental changes in the governance of sustainable community development, business will have to review their approaches to social partnership, their multistakeholder engagement process and to reflect on its progress (King III Report, 2009). The role of business in the governance of sustainable community development brings to the fore the range of strategies business may employ in their engagement with the community, inter alia: 1) cooperation; 2) collaborative and ; 3) containment strategies.

Thus the successful implementation of stakeholder engagement in the governance of sustainable community development is likely to depend on comprehensive understanding and appreciation of power in business-community collaborations. It is inevitable that business should be clear about their own and stakeholder' rationale for participation and be able to facilitate the creation of appropriate participatory structures to address issues at hand, thereby sustainable communities (Muthuri, Moon & Idemudia, 2012: 355-381).

### **3.5 Contextualizing of Concepts Sustainable Development, Community and Development**

#### **3.5.1 Sustainable Development**

As a result of increasing environmental complexities, it is becoming difficult to ignore the concept of sustainable development (SD) when dealing with CSR activities. Sustainable development is an elusive concept as there are many definition of SD. For the purpose of this study, the definition of United Nations World Commission on Environment and Development will be adopted, namely; "Sustainable development is development that meets the needs of the present generation without compromising the ability of future generations to meet their needs (Brundtland, 1987). The use of the term during the past decades or so appears to have become a growth industry. It has been recognised that the sources of conceptual confusion surrounding the expression are linked closely to the lack of agreement regarding exactly what is to be sustained.



On the social dimension, the sustainable social development entails the long-term transformation, improvement and continuous betterment of the livelihoods of people in a given social context (Cronje & Chenga, 2009:416). The view of the United Nations is that development encompasses long-term sustainability in production and consumption relating to all economic activities in order to optimise the economically sound use of resources and minimise waste. Therefore, the purpose of development is to achieve and enhance the social and economic wellbeing of community, both rural and urban, and to meet the basic needs of society. The focus should not only be on material well-being of citizens; it should also ensure individual actualisation and fulfilment and create a just and fair development environment in order to provide equal opportunity for civil society to participate (Ivtzan, Gardner, Bernard, Sekhon & Hart, 2013: 119-132).

### **3.5.2 Community**

It is not easy to define the concept of community, since people continuously move from one area of location to another. A critical examination of the theory and practice of community and sustainable community development depends upon an understanding of the concept of community. When the term community is used, the first notion that typically comes to mind is a place in which people know, love and care for one another. The Community speaks to us in moral voices and indeed, they are most important source of moral voices.

In a systematic review of Management literature, Bowen, *et al.* (2008) argue that a community is defined by its domain, economics or social situation. In the same line of thought, Theodori (2005) describes the vast concept of community under two labels: “territory-based and territory-free”. On the one hand, the ‘label territory-based’ community, as defined by Theodori (2005), refers to geographically localized settlements, shared territory, common life, collective actions and mutual identity.

Generally speaking, a community refers to individuals that share a common bond or tradition, they live in the same area and share things in common, and they support and challenge each other to affirm, defend and advance their values and self-interests. By acting powerfully and collectively, a community can also be perceived as institutions, such as NGOs or community associations, organized to represent a community shared interest, diverse characteristics who are linked by social ties, share common perspective, and engage in joint action in a geographic locations and settings ( Bowen, Newenham-Kahindi & Herremans, 2008).

Theodori (2005) describes the vast concept of community under “territory-based and territory-free” labels.

Theodori (2005) refers to territory-based community as those individuals that share a common bond or tradition, they live in the same area and share things in common, and they support and challenge each other to affirm, defend and advance their values and self-interests. As for Bowen, *et al.* (2008), these communities are primarily characterized by people residing within the same geographic region, but with no reference to the interaction among them.

On the other hand, the label ‘territory-free’ is related to social groupings or networks such as “business community”, “the farm community”, “the academic community”. For Bowen *et al.* (2008), these communities are primarily identified by affinity and regular interactions, to share same interests, regarding their situations, and thus represent “ a group who shares a sense of belonging, generally built upon shared set of believes, values or experiences; however the individuals need not live within the same physical locality”.

In supporting above articulations, Waddell (2005) suggests that ‘territory-free’ community, which share same interests, affinities or situations, may or may not be geographically limited. Thus, geographical location and affinities are not self-exclusive, since a community can be territory-based, formed by social relationships based on affinities or by the combination of both place and affinities.

In conclusion, all above articulations indicate the geographical domain and affinities as distinct community components of social and economic development. Shared growth within a community thus plays an important role for the sustainable development to be attained. Therefore, it is inevitable for CSR committee members at power plants to understand the elements in the community with which they are involved if they are to facilitate and implement sustainable community development.

### **3.5.3 Development**

Alim (2007) refers capacity building as the process of assisting a community to develop a certain skill, competence or ability that will allow them to better respond to their own needs. Capacity building involves the training of development agents and research to support community members and policy makers. He further argues that the main concerns of capacity building are providing necessary skills to community to manage changes, to resolve challenges and conflicts, to enhance team work and communication and to ensure

information is shared. Another concept of development is that of 'basic needs theory' also termed development in community. The basic needs approach to development became current in the late 1970s and entailed a movement from grand theory to approaches directed at poverty alleviation through services such as education (building of schools), health( aids education) and social welfare programmes (Marais, 2010). The basic needs approach insists that each person must have the minimum requirement for existence. Its focus was to present a pragmatic poverty alleviation agenda which includes economic growth, job creation, service deliveries, and retention, expansion, recruitment and income transfer policies (Theodori, 2005 & Waddell, 2005). However, the economic growth or development, in most instances, did not lead to social development, neither did the transfer of technology erase underdevelopment. Economic growth may bring economic benefits to people, but development is about much more than this, being the process of betterment in every aspect of life.

In contrast to the paragraph above, Theodori (2005) further asserts that there is also development termed development of community. This consists of fostering, establishing and maintaining processes in the community that encourage communication and cooperation between and among individuals, informal groups and formal groups. In this development, companies do not actually develop the area; however, they assume the role of the facilitator who orchestrates purposeful, positive and joint-effort by the community and the company to articulate and to sustain a community field. They are structure-oriented to enhance positive and purposive actions as direct attempts to establish and strengthen the community as an interlinking and coordinating structure of human relationship. Thus, structural orientation is the central quality of community leadership. For this reason, the company and the community together create a learning environment which allows them to evolve, adapt and build the capacity needed to generate their own answers in a more inclusive way. Eweje (2006) argues that both forms of development are not only extraordinary, and both affect the well-being of the local community.

### **3.6 Contextualizing of Social Responsibility and Community Engagement**

#### **3.6.1 Social responsibility**

The first definition of CSR is suggested by Bowen (1953:6) as the social obligation of corporations "to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society."

“A large country facing a 21<sup>st</sup> century context in which expanding human capabilities is the core problem requires a more complex framework of goal setting and informational inputs. Capability expanding services are always “co-produced.” Deliveries targeting passive recipients produce results that are sub-optimal at best and counter-productive in many cases. Accurate information on collective priorities at the community level and engagement of community as “co-producers” of services is inevitable and essential for the successful 21<sup>st</sup> century development state.

However, the community cannot arbitrarily make demands on companies if their expectations are beyond the limits of prevailing rules. Most companies have spent a great deal of money and time on social responsibility, but community demands have remained high and are beyond the limits of proportion.

According to Ismail (2009), the best word to describe “CSR” is to use the term “community involvement and community development”. He further denotes that at moral level, any business should be aligned with what is happening in the community in which it operates. The involvement in the community means that with the resources it owns, a company can take forward to contribute to development, regardless of whether it addresses one or two beneficiaries, or the entire community. But overall, a company is responsible if this step forward towards the community is not a compensation for damage done elsewhere in terms of pollution or relocation of community members for the reasons of developmental projects in that area.

The social responsibility of a company is the overall developmental strategy. The concept of community involvement is further seen as a way of doing business and of promoting cohesion and understanding between Management and employees, Management and community (Anthony, 2008:177). He further asserts that community involvement is also seen as way of increasing company value in time by helping those in need of help, more goodwill, increased moral and loyalty of clients.

The social responsibility of a business is recognized as an aspect, an appeal and an activity that influences its reputation (Siltaoja, 2006: 91-111). Reputation is also defined (Siltaoja 2006) as a long-term combination of outsiders’ view of how well the business executes its commitments and fulfils stakeholder’s expectations, and how effective the business performance is according to its socio-political environment. Furthermore reputation is often

defined as the most important competitive excellence a company can have (Tania, 2014; Porter & Kramer, 2006).

As part of CSR, the expectations with regards to the contribution of businesses to the creation of better society are rising year after year. Given the fact that government and civil societies are facing major constraints in their capacity to provide comprehensive social services and bring long-term remedy to these untenable situation, the involvement of business is inevitable (Hinson & Ndhlovu, 2011:332). Indeed, it has been argued that business derive enormous benefits from participating in CSR activities. The question that rises is whether the involvement of business is the only hope or is just ‘window dressing and CSR is just used as mere business strategy. The argument within SA business community is that a happier and healthier business environment and society bodes well for economic actors as regards to long-term business strategy.

The challenge for CSR in developing countries is framed by a vision that was agreed upon by leaders of every country and was distilled in the year 2000 into the Millennium Development Goals (MDG)-“a world with less poverty, hunger, disease, greater survival prospects for mothers and their infants, better educated children, equal opportunities for woman, and a healthier environment” (Todaro & Smith, 2009:22). The leaders had committed themselves to achieve this MDG by the year 2015. Unfortunately, these global aspirations remain far from being met in many countries including South Africa (Visser, 2015). Furthermore, this vision cannot be achieved through the governments and the international aid alone. The effective participation of the business sector is of utmost importance to make the world a better place to live. Business is expected to recognize and respect new or evolving ethical norms being institutionalized in society as part of their social responsibility.

This will however, depend to a large extent, on the contribution and generosity of businesses. The question addressed by this paragraph, therefore, is: What is the role of business in tackling the critical issues of social responsibility in the community in which they conduct business?

Ismail (2009) asserts that through CSR the existence of business in the societal system is felt beyond perception that business is just a place to produce goods, services and offers employment, but improves the relationship between business and community. These relationship leads to harmony and peace and becomes social capital that is essential to community development.



### **3.6.2 Community Engagement**

Masuku (2011:20) argues that CSI implies a long-term commitment in a project, with strong focus on investments and returns. Companies are increasingly being judged on their treatment to the environment, their involvement in the community where they reside, their support for charities and social cause, and their respect for the natural environment (Masuku, Chitsike & Moyo; 2014: 51-57). The communication strategies between the business and community are of paramount importance and can be regarded as the best approach to enhance community developmental needs. The formal communication strategies are facilitated by the business through the Community Engagement and Development (CED) department, which acts as an interface between the business and local community. The interface method that can be used to communicate with the community could include Newsletters, Business Social way, Community Engagement Forum (CEF). The Newsletters can be published and circulated internally online and distributed to CEF members on an agreed timeframes. The CED hosts the CEF meeting as per agreed timeframes to discuss community expectations, corporate social responsibility programmes, community grievances and other related issues. The CED department is responsible for managing communication between the business and external stakeholders, facilitating the CSR programmes and handling community complaints and grievances.

The study will reveal which communication conceptual framework has been adopted by the two power stations' CED to explain and convince the listeners, in a way that is convenient for the targeted community and convey the message in the right context.

## **3.7 Conclusion**

The literature review focused on conceptualizing CSR and its role in sustainable community development. CSR is about business, government and community coming together with the bottom line as the achievement of a win-win situation. It is argued that CSR has implications on community development. It can be seen as direct and indirect benefits received by the community as a result of social commitment of corporations to the overall community. The concept of sustainable development is emphasised as a process where all aspects of economic, social and environmental concerns are interrelated and can at no stage be seen as separate focus areas. It is about quality of life in the long run and balancing current practices

with future needs. The CSR theories were also discussed and how each can impact the implementation of sustainable community development.

It can be concluded that challenges which Eskom is facing can be ameliorated by the implementation of developmental programmes or initiatives within the communities in which it operates. The sustainable community development, engagement and being more socially responsible could assist Eskom power stations in addressing current social ills of unemployment and education.



## CHAPTER FOUR

### 4 RESEARCH METHODOLOGY

#### 4.1 Introduction

The preceding chapter reviewed the literature as it relates to this research and developed a conceptual model to answer the research question. This chapter describes the methodology used to collect the data, which in turn, used to answer research question. It begins by justifying the selected methodology as it relates to the research problem. Following on, the essential elements of a qualitative research process, sampling frame adopted, the appropriate research instrument for this study, the pragmatic view of data analysis, the background of qualitative data analysis software (ATLAS.ti), the procedure used for data collection, the trustworthiness and credibility of research, the analysis and interpretation of data. This chapter concludes by considering the limitations and ethical considerations for this research.

#### 4.2 Philosophical Foundation

The epistemological approach for this qualitative study is interpretivism. The interpretivist approach is based on the following beliefs:

- Relativist ontology. The approach that perceive reality as intersubjectively that is based on meanings and understanding on social and experiential levels. It is the nature of reality that the researcher wants to investigate (Hudson & Ozanne, 1988).
- Transactional or subjectivist epistemology. According to this approach, participants cannot be separated from their knowledge; therefore there is a clear link between the researcher and the reality that the researcher wants to investigate.

The interpretive approach asserts that the researchers should begin by examining the context to be studied through actions and inquiry, as opposed to predisposed assumptions, thus interpretivism integrates human interest in the study. The basic interpretive study exemplifies the assumption that the researcher is interested in understanding how participants make meaning of a situation or phenomenon, knowledge is gained, or at least filtered, through social constructions such as language, consciousness, and shared meanings (Klein & Myers, 1999). Furthermore, the interpretive research acknowledges the intimate relationship between the researcher and what is being explored, and researchers should begin immersing themselves in the world inhabited by those they wish to study (Esterberg, 2002). (Gubrium & Holstein, 1997) asserts that understanding how individuals in the world construct and interpret

reality should be the primary emphasis. According to the interpretivist approach, it is important for the researcher as a social actor to appreciate differences between people (Saunders, Lewis & Thornhill, 2012). The epistemological approaches of both constructivism and interpretivism subscribe to the notion that all social reality is constructed, created, or modified by all the social players involved. Stake (1995) argues that most contemporary qualitative researchers believe that knowledge is constructed rather than discovered. The world we know and live in is particularly human interpretive (Stake 1995:99).

Interpretive paradigm was used to explore, interpret and understand the community perceptions' and experiences regarding the execution of CSR programmes within their communities. Interpretive research focus on understanding the motives, meanings, reasons and other subjective experiences which are time and context bound about the phenomena being studied (Neuman, 2000) through the use of semi-structured interviews, open ended questions.

### **4.3 Theory Building**

In the light of the paucity of previous research within the context of this study, this study could provide an alternative perspective to an emerging research topic. The researcher is of the opinion that without more emphasis on the dynamic nature of the processes involved in sustaining community developments, then a clear understanding to the problem will not materialise. According to (Rowlands, 2001), more attention should be paid to the development of new theory specifically through grounded research that is better able to account for the phenomenon under investigation in areas where there is limited literature, the degree of uncertainty surrounding the phenomenon and the nature of the problem. The focus of the study was aimed at *theory building*, *not theory testing*, for the purpose of describing and explaining how sustainable development process reaches the community and what are the challenges. An inductive approach grounded theory techniques were chosen as the researcher tried not be constrained by prior theory and instead sees the development of relevant theory and concepts as a purpose for this study (Miles & Huberman, 1994).

#### **4.4 Case Study Research design**

According to Yin (1994:19), the research design is simply “an action plan of getting from here to there, where ‘here’ is the initial set of questions and ‘there’ are the set of answers. Qualitative case study research served as the main methodology for this study. The primary purpose of case studies is to understand something that is unique to the groups or individuals by collecting rich and thick data from these individuals (Yin, 2003). According to Yin (1994), case studies are the preferred research approach when “how” or “why” questions are being posed, in other words questions of process are being asked. Specifically, the researcher asked about the process followed by management to engage or reach out into the community to make informed decisions on how to improve the community livelihood. Furthermore, case study methodology are described as a strategy of inquiry in which the researcher explores in-depth a program, event, activity, process or one or more individuals (Stake, 1995). In support of what Stake articulated, practical recommendations on how to implement and improve CSR on already implemented initiatives could be derived from personal experiences of others through case studies, learn about participants’ views regarding the research problem, reporting their stories, situating them within their context or setting and building understanding from the ground up. Yin (2009:18) argues that case study is an empirical inquiry that investigates a contemporary phenomenon with real-life context, especially when boundaries between the phenomenon and context are not clearly evident. He further posited that case study is not a data collection method, but a research strategy or design that makes in-depth investigation of a social event. De Vos, *et al.* (2011:320) indicate that in case study design, researchers are interested in the meaning the subjects give to their life experiences in order to immerse themselves in the activities of a single or a small number of people in order to obtain an intimate familiarity with their social world. For the purpose of the study, Camden and Grootvlei power stations were selected as case studies to explore the effectiveness of their CSR initiatives on the livelihood of the community in which they operate in, namely; Ermelo and Balfour.

#### 4.5 Research Methodology

An exploratory Qualitative approach was adopted for several compelling reasons. Creswell (2009:13) posited that this type of research is the strategy of inquiry in which researcher identifies the essence of human experiences about the phenomenon as described by the participants. Furthermore, the suitability of a case study approach for this study is that (Salkind, 2010:116) it enabled the researcher to answer the questions of if “a programme works or reasons why programme not working or carried out in a particular way”. The aim of the study was to explore the experienced outcome of CSR initiatives within Ermelo and Balfour community. The qualitative research questions often begin ‘*with how or what*’, so that the researcher can gain an in-depth understanding of what is going on relative to the topic (Patton, 2002; Agee, 2009). For the current study, the researcher explored the participants ‘perceptions regarding currently implemented CSR programmes with providing employment opportunities to the surrounding community by asking a *what* question: To what extent do current CSR programmes provide employment opportunities, education and alleviation of poverty? The reason for adopting qualitative methodology is because there was a need to understand the experiences of people and to evaluate the experiences of people involved and how they deal with CSR on a day-to-day basis (Flyvbjerg, 2011:301). Leedy and Ormrod (2010) assert that qualitative research method is appropriate when a researcher is trying to understand a new phenomenon in a particular situation rather than trying to establish a relationship between two or more variables.

This qualitative approach allowed the participants opportunity to articulate and it was the most appropriate because it fostered a better understanding of the lived experiences of the participants (Community and Management) and their own understanding of corporate social responsibility for sustainable development. This exploratory study seeks to gain further insight in unexplored situations in order to develop a hypothesis or formulate a problem statement. It further provides researchers with flexibility and freedom needed to explore phenomena where literature is lacking and thus, help to highlight important variables for future research. According to (Maxwell, 2005:6) rubber band analogy: This ‘rubber band’ metaphor portrays a qualitative design as something with considerable flexibility, but in which there are constraints imposed by the different parts on one another, constraints which, if violated, make the design ineffective. The empirical study and findings will be guided by the main research question: What is the contribution made by the selected power stations to the phenomenon of sustainable community development as it relates to the alleviation of poverty, education and unemployment?

## **4.6 Population and sample**

### **4.6.1 Population**

The population of the study was delineated to the community of Ermelo and Balfour, Mpumalanga CSI Project and the Community Engagement and Development department (CED). The individuals participating in these projects are known as Philanthropic Donations Committee (PDC) members from each station. The committee at each power station consisted of a communication practitioner, Management accountant, Management committee member, human resources practitioner, procurement and technical person (Eskom Development Foundation, 2013). The CED department is responsible for facilitation of CSR programmes, handling community complaints, grievances, community expectations, and managing communication between the power stations and the community. For the purpose of this study, the PDC or CED had been referred to as Management team. The community members/representatives were consisted of Youth Committee League, National Youth Development Agency, interest groups and South African National Civic Organization. This was basically known as the Community Engagement Forum (CEF). The selection of the above participants for this study was based on a strategy referred to as, “purposeful selection”. Maxwell (2005) describes a ‘ purposeful selection’ as the selection strategy in which a particular settings, persons or activities are selected deliberately in order to provide information that cannot be congregated from other choices.

### **4.6.2 Sampling**

A purposive sampling was employed for this study as the researcher considered vast experience associated with the participants would be advantageous for this study. The selection of the participants was based on their understanding of the subject matter and would most benefit the study and understanding of processes (Creswell, 2012:206). The targeted sample of community consisted of Youth Development Programme committee members, who have been engaged with Eskom for five years regarding community developmental challenges pertaining to unemployment, education and development. The interviews were conducted with six Management CSI committee members from Camden (n=6), two members from Grootvlei were interviewed while the other two completed the questionnaire and was sent via email (n=2), the CSI Project Manager of Mpumalanga (n=1), four community members from Ermelo (n=4) and only two community members from Balfour (n=2).

#### **4.6.3 The Research instrument**

According to Smith and Osborn (2008:53), the semi-structured interviews provide flexibility during the interview process and appropriate for small scale research. This study involved obtaining information from community members, CSI Project Manager and Management and total number of participants was 17. The participants were encouraged to explain their views in detail. It was also noted by the researcher that this instrument provides more useful data on a small sample as the required data were obtained. It also allowed thematic analysis of the information obtained.

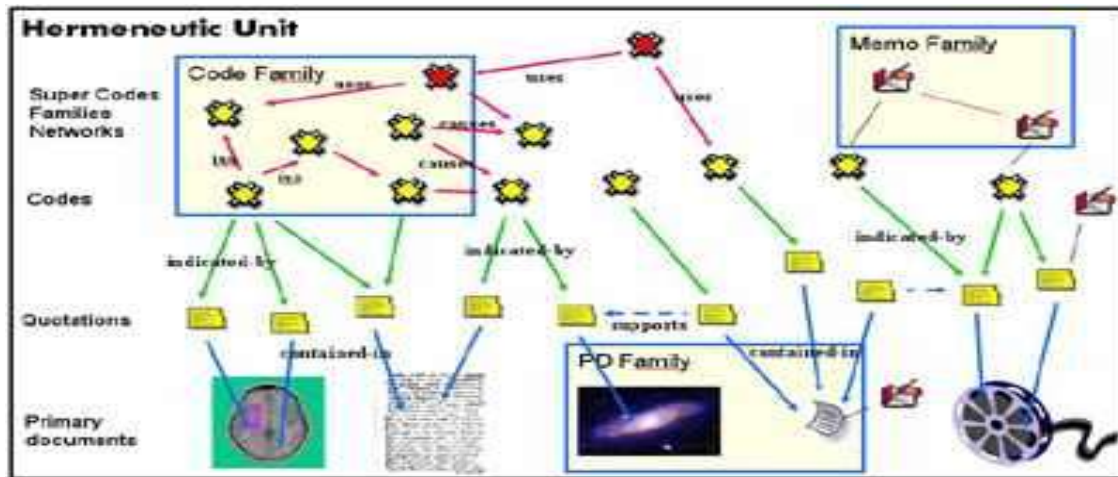
The following suggestions influenced the development of the interview questions:

- There was an attempt to establish rapport with the respondent;
- The ordering of questions was less important;
- The interviewer was freer to probe interesting areas that arise; and
- The interviewer followed the participants' interests and concerns.

#### **4.6.4 ATLAS.ti**

A brief background of ATLAS.ti will be explained. The ATLAS.ti is a Scientific Software Development and is a useful qualitative data analysis (QDA) tool. Scholarly has demonstrated that it is very flexible and user-friendly when utilised correctly. The tool was selected mainly for the following reasons: easy access to training and support for the programme, within the researcher budget and more cost effective (Muhr, 1991:349-371). The product enables researchers to assign codes or labels to text, sounds, pictures, or video; to search these codes for patterns; and to construct classifications of codes that reflect stable models of the conceptual structure of the underlying data (Rambaree, 2007: 1-16). For the purposes of this research, ATLAS.ti 7.5.7 was used. The researcher does the coding, categorising and analysis of data using ATLAS.ti to support, track, integrate and enable analysis. It is a tool and workbench (Lewins & Silver, 2014).

(Friese, 2012) posited that this QDA has four main stages called 'managers' that process data. They are, inter alia: 1) quotations manager; 2) memo manager; 3) code manager; 4) network view manager. These different ATLAS.ti stages are discussed next.



**Figure 4-1**

**Source:** Solutions-ATLAS.ti: The Hermeneutic Unit.

#### 4.6.5 Quotations Manager

This allows the researchers to keep track and manage direct quotations within the text using the quotations manager. Then the related quotations from different documents can be consolidated and 'free quotations' can be created or these can be assigned into codes.

#### 4.6.6 Memo manager

This function is like an ordinary memo where one can capture and make notes while reading the data or coding. The diary assists in the documentation of the researcher's observations and feelings when collecting data. During data collection by the researcher, this function is useful and can be used to document the feelings of the researcher. The function allows the researcher to make notes while reading or coding process. The function was useful during this study to diarise and make notes.

#### 4.6.7 Code Manager

The more common approach is the use of a technique called 'open coding', in which a code is assigned to specific pieces of text. The code manager allows data to be grouped together into related ideas called codes. The codes are stored in the code manager, then they can be assigned additional pieces of text with existing codes from a list, inter alia; coding by list.

#### 4.6.8 Network view Manager

This function supports in the formation of a network that easily indicate the relationship between codes and themes (families) in a diagrammatic form (Joshua, Nehemiah & Ernest, 2015). These diagrams can be saved in a picture form and transferred to Microsoft office.

Furthermore, the diagrammatic schemes assist in representing and comprehending the specific meaning.

#### **4.6.9 Recorded and transcribed interviews**

Although outsourcing of the transcribed data can save you time, it is recommended (Burke, 2011) that the researcher transcribes data himself. The interviews were recorded by using a voice recorder and they were transferred to a laptop for safe keeping. The recordings of each interview were played using speakers while the researcher transcribed them. The other recordings were sent and saved on the participants laptops except the community. The transcripts were later checked for correctness by comparing the audio recordings against the written text. The researcher conducted four personal correctness checks on each transcript after transcribing. The researcher then requested another student who has just completed his Masters at Tshwane University of Technology to conduct a critical reading as he was also doing qualitative research and also using ATLAS.ti in research. The transcripts were created in Microsoft Word to comply with ATLAS.ti capabilities. Thereafter the analysis process using ATLAS.ti was followed.

### **4.7 Procedure for data collection**

Data collection method for this study involved two ways of collecting data if one wants to interpret information about the lived experience of a phenomenon from another person. As such, the study is interpretive in nature because the researcher needs to make sense of the subjective and socially constructed meanings articulated about the phenomenon being researched (Rabinow & Sullivan, 1987). Furthermore, this approach holds that people in any given situation can interpret the situation and interests in many different ways. Firstly, the face-to-face interviews with each participant were conducted to establish rapport and help in discovering the participants responses (Blohm, 2007), and secondly, was the (electronic) written account of the experience where participants completed the questionnaire. The Semi-structured interview which is defined as a method of data collection using a questionnaire in which each participant is asked the same set of questions in the same order (Saunders, Lewis & Thornhill, 2012) was used to collect primary data for qualitative analysis of the research. This type of interviews schedule enabled the participants to describe their experiences of CSR and sustainable community development. Furthermore, the use of this type of method for data collection was to explore the emphasis on the topic: to gather opinions, perceptions,



and attitudes and background information on the topic (Patton, 1990:278). It is also for comparative analysis due to a degree of regulation and allows for spontaneity in which interviewers can ask questions for clarification and elaboration.

The preliminary exploration was conducted to explore the relevance of the topic and the semi structured interview schedule. The preliminary questionnaire was distributed to few participants who indicated an interest in the topic (Babbie & Mouton, 2010). This assisted the researcher to restructure and pre-test a particular instrument, such as questionnaire or interview schedule.

The interviews were conducted by means of face-to-face semi-structured interview schedule (see Appendix E). The data saturation was established after 13 interviews were conducted, *inter alia*; there were no new themes that emerged, no new coding, no new data and the study was found replicable for further research (Guest, Bunce & Johnson, 2006). The size of the sample was not considered when data saturation was reached (Burmeister and Aitken, 2012), as it was best to think of data in terms of rich and thick (Dibley, 2011). All interviews were guided by means of interview protocol, were 'face-to-face' interviews (Creswell, 2012:206), are ideal for conducting interviews with participants who are not hesitant to speak, are articulate, and who can share ideas comfortably. The other two interviews at Grootvlei were conducted by CSI project leader and a pragmatic decision was taken to include smaller sample as a limitation.

At Camden Power Station, the interviews were scheduled and conducted with the Management as follows: three interviews were conducted in the researcher's office; one interview in the Power Station Manager's office; one interview in the Human Resources (HR) Manager's office; and another in the Maintenance Manager's office.

With regards to the community members, all four interviews were scheduled and conducted in the researcher's office as participants agreed to be interviewed at Camden Power Station. The permission for access was granted and interviews were conducted in a friendly environment.

At Grootvlei Power Station, two face-to-face interviews were conducted by the researcher with the CSI Project Leader and communication practitioners. The other two Management members completed the questionnaire and sent via electronic mail as there was no opportunity for face- face interview due to work commitments and time constraints. With

regards to community members, the community members were interviewed by the CSI Project Leader on behalf of the researcher. The reason was their unavailability during data collection hence data was collected on behalf of the researcher. The CSI project leader is knowledgeable as she studied journalism although data trustworthiness for this study could have been skewed and a limitation in this study.

The interview with the CSI Manager was conducted at Megawatt Park, Johannesburg. The participants were asked open-ended and non-directive questions related to the phenomenon of sustainable development, their experience of the phenomenon and the meaning of social responsibility and sustainable development in their worlds. The researcher wanted to explore their knowledge and understanding regarding CSR and what they think can be done to sustain community development. The researcher will consider and discuss some of the improvements that have taken place in the lives of people living in Ermelo and Balfour as a result of the philanthropic activities and contractor academy that took place in their community.

It was inevitable to have preliminary conversations with research participants prior to the actual interview. This conversation was an opportunity to establish rapport with the participants, review ethical considerations and make participants at ease. The researcher reviewed and reflected back on the research question: “What is the contribution made by the selected power stations on the phenomenon of sustainable community development as it relates to poverty alleviation, education and unemployment.” This gave the participants time to dwell and ponder on the experience. However, the researcher had to ask follow-up questions, especially when the interviewee has said something important and full of insight. In doing so, the researcher had to stop participants from time-to-time for clarification and understanding. The follow-ups questions were to make sure that the participant in the present described a situation in which he/she has had lived experiences. The participants were articulate and shared their lived experiences..

#### **4.8 Data analysis and interpretation**

The study was underpinned by the qualitative paradigm; the aim of the data was to inductively discover the patterns of themes in the data that provided a description of the accounts of the participants to generate or build theory. Data from other participants was collected via audio recording and transcribed, while the other data was via electronic email

while the rest were interview transcripts and organised into categories using thematic analysis. According to Braun and Clarke (2006:79), the thematic analysis is an independent qualitative descriptive approach meant for identification, categorization of the main themes that emerge in the responses provided by the research participants.

The themes are defined as units derived from patterns, conversational topics, recurring activities, meanings, feelings, proverbs and folk's sayings (Taylor & Bogdan, 1984). The interviewee scripts were read and reread and were further organised into smaller categories, similar concerns, suggestions and recommendations. The analysis was done by searching through the data collected and identification of recurring patterns. According to Strauss and Corbin (1998), a theme is basically a group of linked categories describing similar meanings and usually emerges through inductive analytic process. This inductive analytical process allows for themes to emerge from the data rather than searching for pre-determined themes.

The following steps were followed (Aronson, 1995):

- Collect the data
- Identify all data that relate to the already classified patterns
- Combine and catalogue related patterns into sub-themes

The thematic analyses highlighted similarities and differences across the data set. This assisted the researcher to build a valid argument for choosing these themes with reference to the related literature.

The researcher used ATLAS.ti, a computer assisted qualitative data analyses software to support data analysis centred around theory building (Muhr, 1991) to support the sophistication of qualitative analysis, to manage and speed up the data analysis (Frieze, 2012). Before the data was analysed, data was transcribed, inter alia: Texts from interviews and audio recordings were typed into a word processing document. All transcripts were then opened in a Hermeneutic Unit, the storage area for data, codes and memos (Malley, Hurwitz & Duffy, 1986). All collected data was assigned a code label, and then the words of the participants and terms that related to the situation were used. This allowed the location of all texts that fit on a code label and managed to see which participants discussed an issue in a similar or different way and were grouped under different categories. Moreover, the Atlas.ti allowed the researcher to separate data into stakeholder group, examined themes in isolation and compared different quotes that emerged.

As an example, each and every sentence from the interviews were read and reread and was assigned a code label for each. This analysis allowed the researcher to gain overall picture of how comprehensive CSR can be made understandable and implemented by various stakeholders. The reading of transcripts was continuous in order to establish main themes. Once there were more than enough codes, they were reduced and then combined into themes which provided rich detailed data with explanatory power. Atlas.ti allowed the researcher to separate data into stakeholder group, to examine themes in isolation and to compare different quotes.

#### **4.9 Trustworthiness in Research**

Creswell (2009) attests that trustworthiness is an important factor to maintain accuracy and credibility in the findings. Creswell (2009:190) defines qualitative validity as “checks for the accuracy of the findings by employing certain procedures” and qualitative reliability “is consistent across different researchers and studies.” These methods of trustworthiness of the data should begin with the preparation and data collection and carried through until the research is completed and written up.

Themes, thoughts and categories were provided to the participants in order to have them checked for accuracy of findings. This was to ensure that the transcripts actually recorded what the interviewees meant to say about the phenomenon. To uncover the meaning of experiences, the researcher read the interview transcripts several times. The researcher explored personal feelings and experiences that might influence the study and integrated this understanding into the study, *inter alia*: reflective thought (Burns & Groove, 2003:382).

Furthermore, according to Lincoln and Guba (1985:120), trustworthiness of research is important to evaluate its worth. The basic issue in relation to trustworthiness is simple as the main task is for the inquirer to persuade his audiences that the findings of inquiry are worth being considered. To ensure that this work was academically sound, the following range of strategies developed by Lincoln and Guba (1985) and also posited by Schurink, Fouche and De Vos (2011:419) as well as Babbie and Mouton (2009) were adopted by the researcher to ensure trustworthiness, namely; credibility, transferability, dependability and conformability.

#### **4.9.1 Credibility**

To ensure confidence and the truth about the phenomena under scrutiny or how congruent are the findings with real situation? Credibility of the study was ensured by data source triangulation (Schurink, *et al.* 2011:420) whereby multiple sources of data were used to validate conclusions of the findings. Interviews were conducted with community representatives thus including more than one group of participants. The involvement of multiple informants achieved triangulation of data sources. The individual viewpoints and experiences were varied and compared against others.

#### **4.9.2 Transferability**

In demonstrating that the findings have applicability in other contexts, the study was conducted at two power stations, Camden situated at Ermelo and Grootvlei at Balfour. Transferability in this study was enhanced by purposive selection of participants in order to identify persons who would be able to provide a rich account of the phenomena under study (Babbie & Mouton, 2009:277).

#### **4.9.3 Dependability**

Dependability is viewed as a process that addresses reliability issues. The process within this study was reported in detail. This was followed by structured chapters presenting literature review, the methodology, conclusion and recommendations. Dependability was also ensured by maintaining an audit trail (Babbie & Mouton, 2009:278) of raw data that has been coded and archived to permit checking of the findings against raw data (Schurink, *et al.* 2011:420).

#### **4.9.4 Confirmability**

In ensuring that the findings are authentic, the participants were offered the opportunity to verify the accuracy of collected data immediately after interviews and at the end of data collection. Triangulation was also conducted by the researcher and the independent person analysing the data.

### **4.10 Ethical Considerations**

Ethical considerations are important to research and the researcher ensured that all key components of ethics were addressed by using agreed standards (Morrow, 2009). The

researcher did take into consideration the ethical issues that were likely to be faced during data collection and placed measures that ensured the safety, privacy and the confidentiality of the participants. The ethical practises of the study were supported by; protecting research participants, safeguarding confidentiality and privacy of participants (Rosnow & Rosenthal, 1996).

The researcher also obtained permission from Eskom academy of learning (EAL) to conduct the study at both Camden & Grootvlei power stations and also obtained ethical clearance from the University of South Africa (Unisa) to conduct the study. The copy of ethics clearance is set out on Appendix A and permission from Eskom in Appendix B. The researcher paid serious attention to the following guidelines for good research practices: informed consent, confidentiality and privacy, securing of data and avoiding harm to participants. All the four ethical criteria during the research were addressed.

- The purpose of the study, the reason for the study, why the study was conducted was provided to the participants and they understood what the study was all about.
- The Voluntary informed consent was obtained from the participants. The process is designed to ensure that research participants understand what they are agreeing to do, their limits of participation and all possible risks involved, if any” (McCrystal, 2008:90). The copy of the consent form is set out in Appendix D. The researcher did explain from the start that the study is voluntary and nobody will be forced to participate. Furthermore, the researcher provided a “Noncoersive disclaimer” which states that participation is voluntary and no penalties are involved in refusing to participate. There will be no relationship that is jeopardised. None of the participants indicated the willingness to withdraw from this study.
- The rights of the participants- the researcher will give a clear indication that if they choose to participate in the study, should they feel uncomfortable; they may withdraw from the study at any given time without providing a reason. This is very important but raises the issue of how difficult the participants can withdraw after developing friendly relationship with the researcher (Ford & Reutter, 1990; Connelly, 2014). The protection of participants from any harm is inevitable.

- Confidentiality and Anonymity – the researcher indicated that no personal identifiers and names will be mentioned throughout the interviews as well as when writing the report. Participants were assured confidentiality and privacy with regards to the information they provided which was to be used for the research purpose only.

#### **4.11 Limitations of the study**

The study was limited to the two Eskom's power station's corporate social responsibility initiatives; given that the participant sample was not representative of any particular population, the results of this study speak primarily to the experiences of the interviewed participants. Therefore, the generalizability of the results is limited. There was a possibility that participants gave socially desired answers, responses that they deemed desirable but not necessarily their genuine views of the programmes and initiatives of the two power stations. Although it is never a goal of qualitative methods to state objective truths within a phenomenon, or to generalize the results, the findings of this study are limited in application to the participants studied. Furthermore, the participant sample size of 17 could have been increased to gather a greater understanding of the stability of results. It is important to note that the researcher managed to conduct face-face interviews with only 13 participants and the other two Managers completed a questionnaire and responded via email, while the Balfour community where interviewed by CSI project leader. This could have been a limitation in this study as well, inter alia; submitting the questionnaire via mail without direct contact with participants. This limitation could have the effect in influencing the results. Accordingly, some of the following conclusions were reached:

- Lack of experience and exposure of certain participants to CSR, could give rise to problems interpreting certain statements;
- Limited knowledge and understanding of ATLAS.ti by the researcher;
- The research was conducted at two Eskom power stations and therefore results cannot be generalised;
- Time and budget constraints restricted the researcher to demarcate the study to the two research sites; and
- Unavailability of other participants to partake in the study.

#### **4.12 Conclusion**

This chapter discussed the approach used to collect data, the research design that was adopted, and the research instrument to gather data, the data analysis and interpretation. It also highlighted the issues of trustworthiness and credibility in research. The next chapter presents and discusses the research findings.



## **CHAPTER FIVE**

### **5 PRESENTATION AND DISCUSSION OF FINDINGS**

#### **5.1 CHAPETR OVERVIEW**

The previous chapter described the qualitative and exploratory methodological approach used to adress both the research question and objectives as outlined in Chapter 1. An extensive review of the existing literature as it relates to the areas of research was presented in chapter 3 which also serves as a justification of the research question. It also puts emphasis and justification of chosen research methodology, its suitability, and the design process. This chapter will put emphasis on the processes and procedures undertaken in the data analysis phase of the research. Furthermore, this chapter presents the outcome and data collected during semi-structured interviews with the sampled participants. The key objectives was to gain a better understanding of the existing CSR employed at Camden and Grootvlei power stations, and to explore the challenges faced by Management and the communities of Ermelo and Balfour, regarding the current CSR practices within these power stations. In addition, the major themes that emerged from data analysis are discussed. The information and questions asked to the participants were focused to elicit information that would answer the research question.

#### **5.2 INTRODUCTION**

According to Yin (2003), data analysis entails examining, labelling and organising evidence to address the proposition of a study. This chapter presents the findings according to the participant's awareness of the initiatives, their perception on current CSR initiatives in providing sustainable employment opportunities and training to unskilled community, their opinion on factors inhibiting successful implementation of SCD and to explore available programmes for the sustainable development of community in terms of training and development.

An inductive analysis approach was utilised for this study in the analysis of the interview transcripts and identification of recurring patterns in the data by means of thematic codes. This inductive analysis allows for themes, patterns and categories emerge from the data rather

than searching for pre-determined themes or imposed on them prior to data collection and analysis (Strauss & Corbin, 1998; Patton, 1990).

### **5.3 SAMPLE REALISATION AND DATA ANALYSIS**

The participants of this study consisted of Camden's Management committee members (n=6), Mpumalanga CSI Project Manager (n=1), Grootvlei Management Committee members (n=4), Ermelo community members (n=4) and Balfour community (n=2). The interviewed community and Management have many characteristics in common, but important differences can be noted as well. In order to maintain ethical standards, the names of the participants will not be disclosed. In some instances, pseudonyms will be used to protect their identities. The researcher may provide more details for clarification and verification when required. The description of each community, CSI Manager and power station Management is limited to providing their most important characteristics and their most distinctive features. The investigation and findings were conducted into three case studies, inter alia with:

- Case 1: Community from both Ermelo and Balfour;
- Case 2: Mpumalanga CSI Project Manager; and
- Case 3: Power Station' Management.

The findings from each case will be presented separately and all commonalities will be indicated. The participants were very articulate to present challenges faced by these power stations in executing their CSR activities successfully within Ermelo and Balfour. The interview questions explored whether CSR was implemented in a meaningful and responsible manner, and is achieving its intended objectives of sustainable community development inter alia: training and development of unskilled community and employment opportunities. The table below is the description of the participants' roles within the context of the study and segmentation of participants.

**Table 1: Description of participants' roles within the context of the study**

**Source:** Own Source

Interviewee's role within the study	Participant
Community Members (Case 1)	P...1,2,3, 4,5,6
CSI Project Manager (Case 2)	P7
Power Plant Manager (Case 3)	P8
Human Resources Man (Case 3)	P9
Communications Practitioner (Case 3)	P.10,11,12
Financial Manager	P13
Young Professional CSI (Case 3)	P.. 14,15
Maintenance Management	P.. 16,17

The interviews were conducted by means of face-to-face semi-structured interview schedule guide (see Appendix E). In general, the semi-structured interviews were the main source of primary data for this study. The data was analysed using a thematic analysis as there was a need to search for and identification of common trends that extent across the entire interview or couple of interviews (De Santis &Ugarriza, 2000). To support the complexity of this qualitative analysis, ATLAS.ti was used to allow the researcher to separate data into stakeholder group, examined themes in isolation and compared different quotes that emerged (Frieze, 2012). During the analysis of data, the themes and sub-themes emerged and are reflected by the network diagrams as indicated on each of the three cases.

## **5.4 THEMES AND SUB-THEMES**

An inductive analysis approach was utilised for this study in the analysis of the interview transcripts and identification of recurring patterns by means of thematic analysis. The inductive analysis allowed themes, patterns and categories to emerge from the data rather than searching for pre-determined themes or imposed on them prior to data collection and analysis (Strauss & Corbin, 1998; Patton, 1990). For each of the case studies, codes, themes and categories were developed from the data with the intent of articulating meaning through

description (Vaismoradi, Jones, Turunen & Snelgrove; 2016). The identification and coding/grouping of related responses was crucial in the analysis to detect patterns. Networks were created to represent themes or families of the relationship between certain groups of codes.

## **5.5 RESEARCH OBJECTIVE NUMBER 1**

The first objective of this study sought to explore the nature of beneficiary participation in the corporate social responsibility initiatives, inter alia; Aware of Eskom initiatives towards SCD.

To respond to this objective, the following processes were implemented in analysis of the responses from the interviews:

- Utilising the Codes Con-occurrence Table function in ATLAS.ti, various responses from the community and Management were considered. The most recurring patterns were used as basis for coding the data; and
- The perception of participants towards their awareness, knowledge and understanding of corporate social responsibility initiatives were utilised.

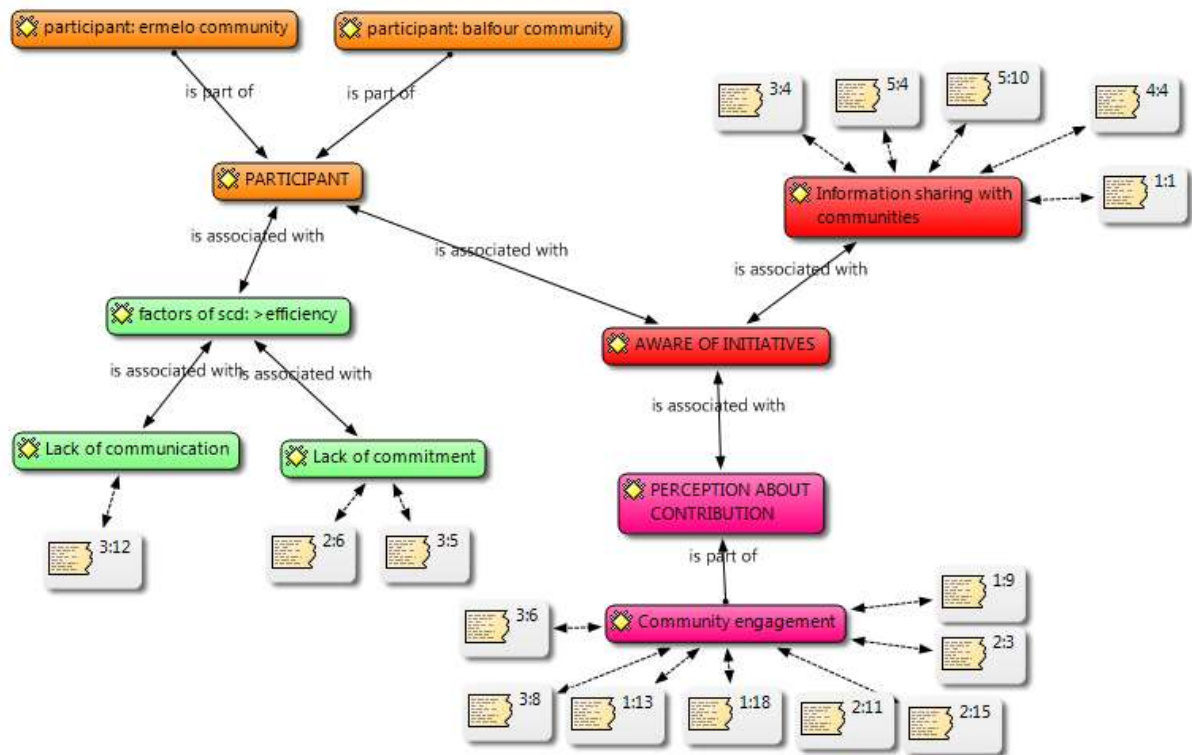
The following themes are participants' opinions that were identified and are presented under CASE 1, the Community of Ermelo and Balfour.

### **5.5.1 Case 1: Community (Ermelo and Balfour)**

The themes that emerged were common from the separate interviews conducted with the community of Ermelo and Balfour. The following themes emerged:

- 1) Aware of CSR initiatives;
- 2) Perceptions about Eskom contributions;
- 3) Factors that inhibit successful implementation of SCD.

These themes are indicated by ATLAS.ti (Figure 5.1) network diagram.



**Figure 5-1: Case 1: Community Responses**

**Source:** ATLAS.ti Network Diagram

The table below depicts a descriptive summary of these themes and subthemes presented as findings that emerged from the study. The first theme is presented, then followed by its related subtheme; for example: Theme number 1 will be presented then followed by its subtheme 1 until all themes presented. It is important to note that the quotations articulate exactly what the participants echoed.

**Table 2: Themes and subthemes: Community**

Themes	Sub-themes
1. Aware of Initiatives	1. Information sharing with community
2. Perceptions about Contributions	1. Community engagement
3. Factors affecting successful implementation of sustainable development (factors of SCD > efficiency)	1. Lack of commitment 2. Lack of communication

## **Theme 1: AWARE OF INITIATIVES**

The first objective of this study sought to explore the nature of beneficiary participation in the corporate social responsibility initiatives, inter alia; aware of Eskom initiatives towards SCD. The notion that the community is aware of CSR initiatives plays a crucial role in the development of community (Pomeroy & Dolnicar, 2009). The knowledge can assist the community and relevant stakeholders to make valuable contribution to the business. The success of developmental programmes and projects can be attributed to the participation of the intended beneficiaries (Theron & Ceasar, 2008). The following is how the community of Ermelo and Balfour responded regarding their knowledge of Eskom initiatives or their awareness of Eskom initiatives:

### **Ermelo community:**

The interviews demonstrated that participants were able to indicate contrast and contradictions about Eskom initiatives. These contradictions were found sophisticated and somehow complex, incorporating positive and negative notions relating to the awareness of CSR initiatives.

The findings indicate that those who are aware of these initiatives actually benefitted from the CSR programmes. The beneficiaries were involved in the programmes by virtue of being learners in the programme thus their participation was associated with being the active beneficiaries at Eskom. Another participant noted that knowledge and understanding of initiatives helped with his development. Participant highlighted how he is now playing a big role in his development and have taken ownership of his training programme. However, most of the participants' opinion on this indicated that they were not aware of any initiatives by Eskom hence the negative responses. Furthermore, there are still community members who will like to know more about Eskom-Camden initiatives. The following are responses from community participants:

Participant no 1 stated that:

*“I am not aware of any initiatives by Eskom. I don’t think there are donations made by Camden, I am not sure. However, if there are any, I don’t think they make any impact” (P1; Quote 5:4)*

Participant no 2 further reiterated that:

*“We do participate on all structures and no information or nothing has ever been mentioned regarding contributions, (Nothing at all)”, it will be a great thing to be exposed though (P2; Quote 3:4).*

Participant 3 added that:

*“People don’t know what initiatives are available and not available, they should make them available to the community at location, posters at the Malls and churches, or even tavern, we don’t have access to internet and newspaper very expensive” (P3; Quote 5:10).*

Participant 4 responded positively towards the initiatives:

*“The one I know is that Eskom gave out Learnership programmes to ameliorate unemployment rate thereby giving employment and curb lack of skills. We were part of this program, it was advertised, we applied, we got accepted, and we are currently appointed as learner plant operators” (P4; Quote 4.4).*

Notably, most of the participants are not aware of initiatives and this could be as a result of lack of awareness due to lack of information sharing. It stands to reason that one of the reasons why community protest is the lack of knowledge and understanding of the initiatives. The researcher believes that a reasonable deduction would be that there is ineffective communication between the Management and the community regarding available programmes and initiatives. Alim (2007), attest that it is imperative to resolve challenges and conflicts, enhancing team work and communication and to ensure information is shared. This echoes the findings of (Masuku, Chitsike and Moyo; 2014) who found that communication strategies and dissemination of information between the business and the community are of paramount importance and can be regarded as best approach to enhance community developmental needs. The researcher believes if better platforms or stakeholder forums are

available, then the information regarding what is available and what not could be shared in those forums.

### **Balfour Community:**

Although the interviews were conducted on behalf of the researcher, which serves as a limitation for this study, it emerged from the findings that this community seems to be versed regarding the initiatives from Grootvlei. It emerged from the findings that the community of Balfour seems to be versed to the initiatives from the power station. This participant got involved in the CSR initiatives by word of mouth from other beneficiaries, which means that the participant got to know of the programme through information sharing by the friend.

The following is the response from participant number 5.

*“Yes, the initiatives are shared at a forum at the municipality where Dipaleseng Unemployment people organisations also sits in, and the information on initiatives and programmes is shared (P5; Quote 1:1).*

The findings suggest that Balfour community is aware of the initiatives implemented by the power station. The researcher believes a reasonable deduction is that there is effective information sharing where Management, community and Municipality gather to discuss Eskom-Grootvlei initiatives and community issues relating to community aspirations, such as addressing unemployment.

The following subtheme emerged during data collection.

### **Subtheme 1: Information sharing with community**

The findings indicate that the communities are influenced by CSR initiatives if they are aware of them (Pomeroy & Dolnicar, 2009). There were different responses when it came to awareness of Eskom’s initiatives. The majority of participants pointed that most community members are not aware of the initiatives by power stations, especially Camden. The community felt that Camden has failed them in terms of projects, skills development and employment because of lack of information sharing. They also highlighted that they are not being employed although they submitted their names through the relevant structures that



caters for local community. There was no information sharing within Eskom-Camden and community although the latter is the best tool to improve relationship.

### **5.5.2 RESEACH OBJECTIVE NO 2: PERCEPTIONS ABOUT CONTRIBUTION**

The second objective sought to establish the perceptions of participants about the responsiveness of CSR initiatives to sustainable employment and training of unskilled community. The purpose was to establish if the programme was relevant and catered for the community who are not educated and low-skilled level. There were contradictions and contrasts whether CSR initiatives contribute to sustainable employment. This echoes the findings of (Karlsson & Lindqvist, 2014) who found out how complex the CSR phenomenon is and how the perceptions of CSR can differ depending on whom you speak to. They further posited that every time a new book, a new article, or conducted an interview, a new insight of CSR is revealed. Furthermore, the findings by (Hailu & Rao, 2014) suggested that the local community who are aware of CSR initiatives gave a more positive perceptions towards CSR that those who were not aware of initiatives.

#### **Ermelo community**

The following are excerpts on how Ermelo community responded:

Participant number 2 responded:

*“I am not sure if people were promised jobs, obviously they would have expectations especially when a company comes to your area and build such a big structure. We had high hopes and expectations when the power station was returned to service, we are still unemployed, never came back to tell us why, no engagement. A certain number from locally were supposed to be employed, but nothing materialised. Some other local companies employ the community, and don’t only consider qualifications, they take someone with Grade 12, or nothing, and they develop them and prepare for economic challenges” (P2, Quote; 3:6)*

Participant number 3 Supported:

*“The power station does not engage with us, nothing at all. The social development policy states that 60% of local managers in the organisation; current it’s just one person. It is something that has never happened, the expectations were high, and people start to give up, because there is nothing, employment wise and business wise. When you see people behaving as they did, it’s not madness in their heads, but desperation or now tired of waiting patiently and not getting anything” (P3, Quote, 3:8)*

Participant number 4 reiterated:

*Eskom promises and never comes back to us. Their initiatives don’t seem to benefit us. They still contract the suppliers outside our proximity and community is unhappy with this move. Whenever there are new projects, they don’t consider or inform us on time. We only hear that there is a new project and there are outsiders employed. How then are we going to be sustained? We are still unemployed and we have families to take care of. If nothing happens soon, we will once more block the road to the power station and affect power generation (P4, Quote; 2:11).*

Most participants reiterated that lack of community engagement by the power station could be the reason why their dreams of being employed have not materialised. They further highlighted that they don’t hate the power station management, but they need to be engaged in decision making regarding projects that affect them. The following subtheme emerged: Community engagement and will be discussed.

### **Subtheme 1: Community engagement**

These findings are in consistent with the findings of (Driscoll, 2008; Masuku, 2011) where they echoed the importance of business engagement with the community. They attest that working collaborately with and through groups of people affiliated by geographic proximity, special interest or similar situations to adress issues affecting the well-being of the community. Community engagement should be able to resolve long outstanding unresolved gridlocked issues especially that community cited they were promised jobs.

### **Balfour community:**

The findings on the perception of initiatives were more positive perception regarding the initiatives and are also described under subtheme, community engagement. The responses from this community regarding their perception on contribution had a different view to responses from Ermelo. The findings indicate that some key stakeholders were consulted within the programme. The above articulation supports the findings of (Hailu & Rao, 2014) that when community is aware of what is happening within their environment, their perceptions of the CSR initiatives will be more positive. It was found that before the implementation of CSR initiatives at Grootvlei, the plant engaged with the community of Balfour and expertise required to design the CSR initiatives. The views of experts in the field of education and training development were solicited to establish how well can the programmes be implemented. It is clear that stakeholders within the beneficiaries' community were consulted and the programme explained to them in order to solicit their views though the CSR Project Leader was totally in charge of the planning and implementation of the programme. Their socioeconomic and cultural conditions were improved as the purpose of corporate social action is to respond to problems of low skilled level of education (Idemudia, 2007b). It can be argued that it is undisputable that there is better engagement between Balfour community and Grootvlei Management.

The following are excerpts on how Balfour community responded:

Participant 5 remarked as follows:

*“My feeling is that a couple of companies including their contractors can learn a thing or two from Grootvlei; how it handles community things and how Management is able to come down to engage with the community” (P5,Quote 1:13).*

Participant 6 further reiterated:

*“Grootvlei is currently doing well and engaging more with community; it can only improve for better .Eskom being one of the few companies operating in Dipaleseng has really sustained the community .A great impact, the learners don't have to go home to relieve themselves anymore; the school does not have to organize transport to get learners to another school for science project because Eskom has donated Lab equipment and the*

*learners are no longer over crowded because there are two extra class rooms” (P6, Quote 2:15).*

This revealed that participants were consulted and informed about the objectives of the programmes and how will they benefit from it. The participant gave clear indication of how solid the relationship is between community and Eskom Grootvlei. The willingness and commitment of Eskom to address their issues as well is evident from what the participants indicated. This suggests that for CSR to work, Eskom should work more closely with all stakeholders.

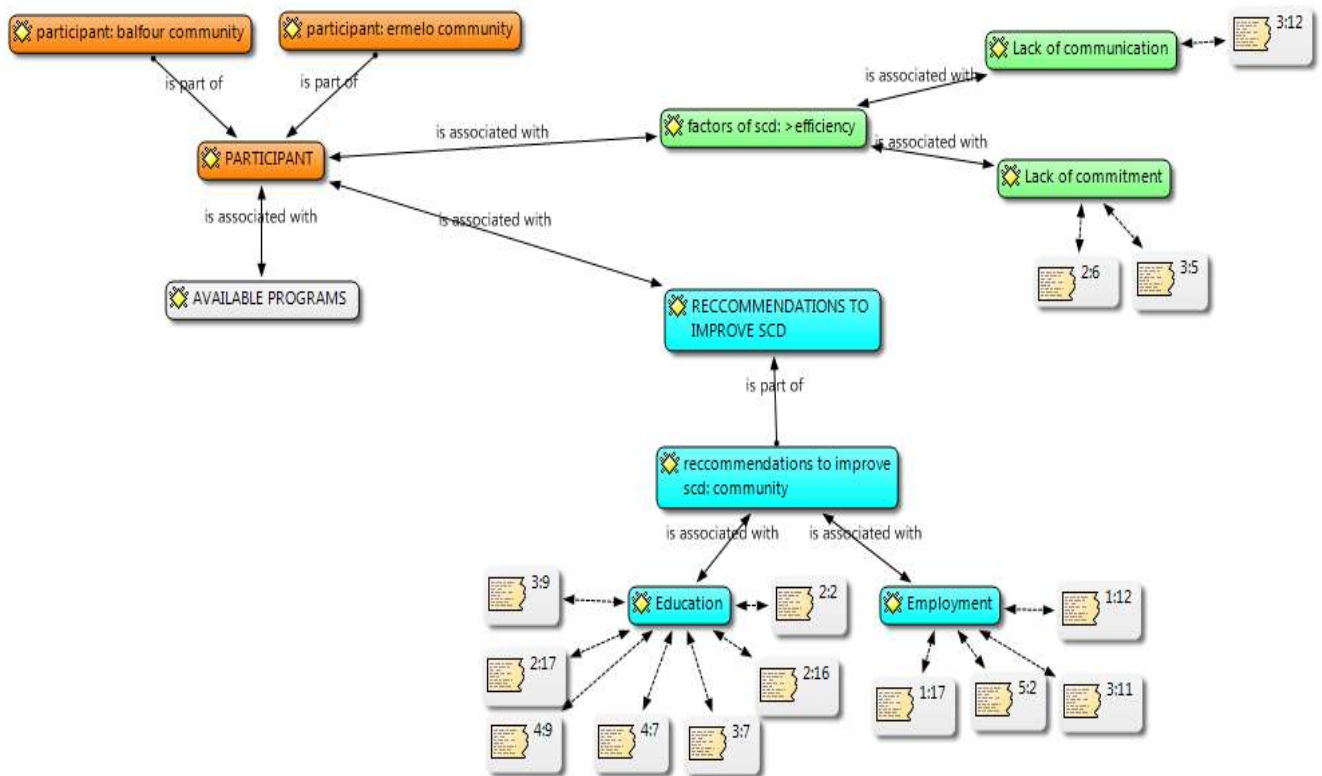
### **5.5.3 RESEACRH OBJECTIVE NO 3: FACTORS AFFECTING SUCCESSFUL IMPLEMENTATION OF SUSTAINABLE DEVELOPMENT (FACTORS OF SCD> EFFICIENCY)**

The third theme that emerged during the data analysis: Factors that inhibit the successful implementation of SCD will be presented next. This objective sought to elicit the views of the Community regarding factors that could be inhibiting successful implementation of SD. In order to strengthen CSR programme, it is critical to take into account the challenges faced by the community. The purpose of exploring these factors is to get insight and views of community regarding possible inhibiting factors based on their experiences and knowledge.

Participants were asked the challenges inhibiting implementation of SCD. All participants indicated that the initiatives do not reach the community at large and only to a small group. As indicated by Atlas.ti network diagram (Figure 5.2) below, the subthemes that emerged under this theme are:

- 1). Lack of communication
- 2). Lack of commitment.

These subthemes try to elicit information that will address objective no. 3: To explore factors inhibiting the successful implementation of CSR initiatives. The findings from this theme are as stipulated by the description and supported by verbatim quotes that follow. The findings also indicate that there were no major concerns from Balfour community regarding communication with the power station Management.



**Figure 5-2: Factors of SCD>Efficiency**

**Source:** ATLAS.ti Network Diagram

### **Subtheme 1: Lack of commitment**

#### **Ermelo community:**

During the interviews and data analysis, lack of communication emerged as some of the factors that inhibit successful implementation of SCD. This phenomenon can be backed up by the following justification from Ermelo community. The community believes that Management does not take their issues very serious. The meetings are being called and Camden community never pitches. The community reiterated the need for someone who is committed to address their issues. This echoes the findings of (Mariri & Chipunza, 2011), on the lack of commitment by businesses in terms of stakeholder theory in addressing the CSR issues like unemployment, lack of education and poverty. Furthermore, (Ismail, 2009) attest that commitment by business to behave ethically and contribute to economic development while improving the quality of life of the local community and society at large is a good

practice. There should also be a genuine commitment of all parties to the partnership process. They further reiterated that Camden employees should be in a better position to share information on available opportunities with them as they form part of their community. The community believes that their issues are not being addressed and they are in position to protest against Camden at any time.

Participant 2 responded:

*“We never engage with Camden – we were supposed to have BU forum meeting with all businesses; we never met. That forum is organised by municipality, they call companies and businesses, issue of unemployment– municipality normally invited people – normally they invite Camden personnel – they seem to fear, might fear some of the things, not sure why because they also part of this community. We want someone who will commit at these meetings and needs deliverables” (P2, Quote 3:5).*

Participant 1 added:

*“Let’s have people who are committed to the community and do proper search and check if you can’t find people locally. Some people forget there is a power station around here, very disturbing indeed especially those born and bred here. The company needs to make an outreach to the community. When you talk about power station, people think only about electrical engineering. We need to be told of different available employment opportunities” (P3; Quote 2:6).*

From the findings, it could be deduced that there is no commitment from Management regarding community issues; this is evident from what the participants indicated above. This suggests that for CSR to work, Camden should have dedicated person who is committed to deal with community issues and there should also be commitment from Management.

## **Sub-theme 2: Lack of communication**

Lack of communication emerged as another factor that inhibits successful implementation of initiatives. Furthermore, to avoid the difficulties of building good relationships with the community, the power station needs to establish a Communication department with a

dedicated community relations division. It has been found that although the businesses have a well-established community engagement and development department; gaps have been experienced due to no or little commitment from the CED which is responsible for closing the communication gap between business and stakeholders, facilitation of CSR programmes and handling community complaints (Masuku, Chitsike & Moyo, 2014). The community is adamant that the relations should be approached from a strategic point of view, because they hold the company's social license to operate and they can protest at any time. They need to be aware of what is coming and available for them. They further believe that if information is shared on the local newspapers, road shows and not on the internet, then they will be in a better position to equip themselves with knowledge regarding available jobs and tender process.

**The following is how the Ermelo community responded:**

Participant number 3 responded:

*"I am adamant that if available jobs are shared at road shows, adverts on newspapers, community meetings, you will find the right people for the required jobs. There is local newspapers which are free; it's better to advertise there. Another option is for people working at power stations; they need to inform the community of what is happening at Camden. The information doesn't reach the community. The protest in the mines are minimal in past five years, Transnet are rarely, but Eskom Camden. If people decide to protest tomorrow, it will be Eskom" (P3, Quote 2:6).*

The findings reveal that there is no formal communication conceptual framework in a way convenient for targeted community and convey message in the right context. It is imperative that Management bridges the gap with effective and continuous communication. It is also evident that continuous communication will indicate how committed Management is in addressing social challenges within the community.

## **5.6 Case 2: Mpumalanga CSI Project Manager**

#### 5.6.1 RESEARCH OBJECTIVE NO 4: TO EXPLORE AVAILABLE PROGRAMS

This objective sought to explore available programme to the sustainable development of the community in terms of training and education. The CSR initiatives of Eskom Development Foundation have provided access to many beneficiaries to acquire relevant skills in the Tertiary educational development. The participant highlighted that many of their beneficiaries are actually the back bone of their families and are the first to enter the University in their family history.

In addressing the this objective, the following processes were conducted

- Utilising the Codes Con-occurrence Table function in ATLAS.ti, various responses from the CSI Project Manager were considered. The most recurring patterns were used as basis for coding the data; and
- Available programmes for sustainable community development were categorised and based on the quotes.

As indicated by ATLAS.ti network diagram (Figure 5.3) below, the following themes and the relevant subthemes emerged during an interview with the Project Manager and during data analysis:

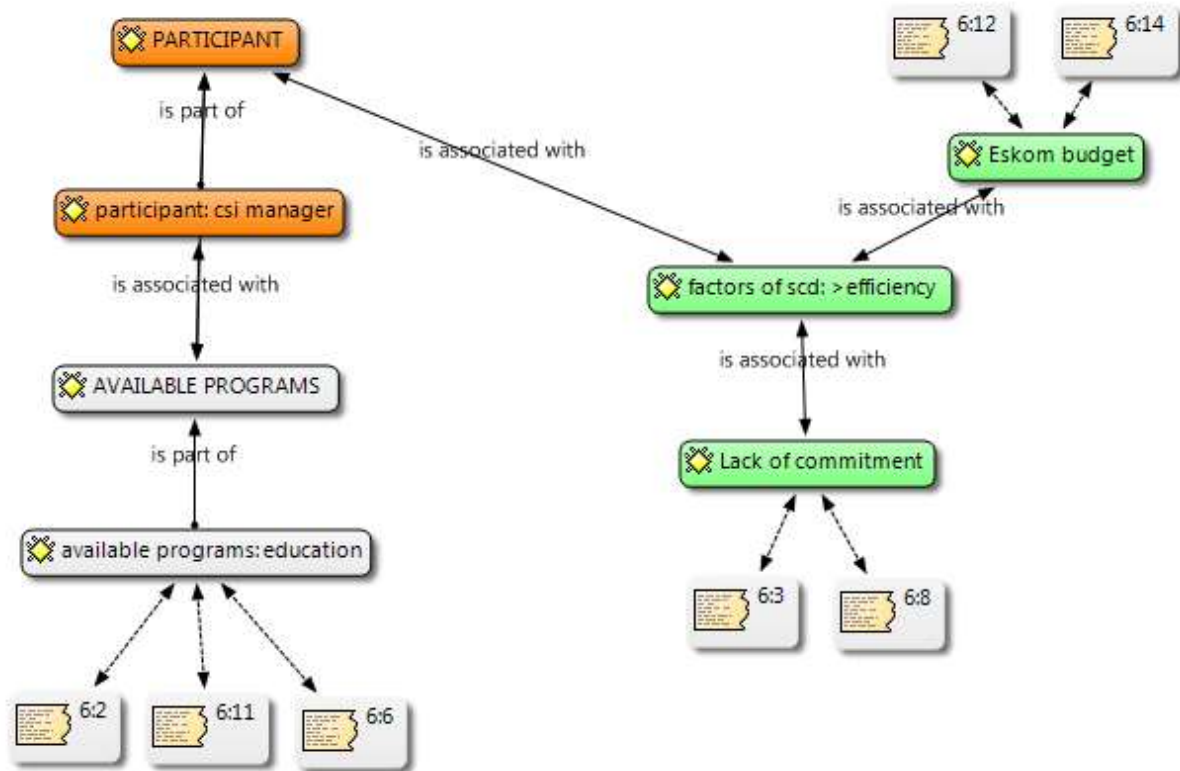
- 1) Available programs;
- 2) Factors of SCD > efficiency.

The table below is a descriptive summary of the themes and their subthemes presented as findings that emerged from the study.

**Table 3: Themes and Sub-themes: CSI project manager**

<b>Themes (1-2)</b>	<b>Sub-themes(1-3)</b>
1. Available Programmes	1. Education
2. Factors affecting successful implementation of sustainable development (factors of SCD > efficiency)	1. Lack of commitment 2. Eskom Budget





**Figure 5-3: CSI Project Manager Response**

**Source:** ATLAS.ti Network Diagram

### **Theme 1: Available Programmes**

It emerged from the results that there is a number of educational programmes driven by CSR Project Manager to improve education within the community. During the interviews and data analysis, the following subtheme emerged:

#### **1). Education.**

It was also noted that the mandate for the Eskom Foundation is not to offer jobs, but to assist with educational development. The subtheme will be discussed below:

#### **Subtheme 1: Education**

The objective sought to explore the available programmes and their responsiveness of CSR initiatives to their educational needs and training to unskilled community. The purpose was to establish if the programme was relevant to the educational needs of its community. The

findings indicated that there are available programmes to assist young scientists by means of expos. Furthermore, there are programmes that have made it possible to pursue their studies; they go to universities; they come back; they are included in the workforce. Hope (2011) echoed that providing relevant education and training is a critical factor for youth engagement and development. He further attest that education is an important element in support of capacity development activities that have a strong consideration for the national labour market. The individuals are given opportunity to present their projects to Eskom Foundation. From these exhibitions, successful individuals are given opportunities to attend at universities of their choice. The participant responded that the programme had managed to contribute significantly to the educational needs of the community in that it allowed them to pursue further education. The programme has given the community skills and has been able to find jobs. According to Trialogue (2010), the aim of CSR initiatives is to contribute towards sustainable development through funding or implementing programmes and projects that encourage capacity building.

The following are responses from Mpumalanga CSI Project Manager, Participant 7:

*” yes, indeed the programme has made it possible to pursue their studies, they go to universities; they come back; we include them in the work force” (P7, Quote 6:2)*

.

The participant further reiterated that, *’ we also have education, early child development programmes in the RTS areas. We also renovate schools as part of rural development and capacity building for teachers and food security. They are basically health, education, and contractor academy). We provide training for practitioners at crèches, and educational toys and outdoor equipment which will be delivered soon, the value of this program is about R4.1 Million (P7, Quote 6:11).*

Further added that:

*“We are currently assisting with education issues, early childhood development. My mandate is not to give Jobs, but to get people, at least on the education, contractor academy intake, business investment competitions”( P7, Quote 6:6).*

It is evident and without doubt that the educational programme has to a large extent managed to positively contribute to the CSR initiatives of Eskom.

It could be deduced that there are relevant educational programmes available to assist the community. However, the community might not have been aware of this because of lack of engagement, commitment and communication. It is also important to highlight that for the community to be aware of this; the power station's practitioners should continuously liaise with the Foundation and submit the applications on behalf of the community to address their needs.

## **Theme 2: FACTORS OF SCD> EFFICIENCY**

According to the CSR Manager, there are a number of factors that inhibits successful implementation of SCD at the power station and are described by the subthemes that emerged. The following subthemes will be discussed: lack of commitment and Eskom budget.

### **Sub-theme 1: Lack of commitment**

The issue of lack of commitment from Camden Power Station came out strongly during the interviews. The manager highlighted that they never receive requests from Camden but Grootvlei. The CSI practitioner at Grootvlei was commended for their great input and commitment. The manager reiterated that the success of CSR projects at the power station relies on strong and committed practitioner to work closer with their department which is not the case at Camden.

The response from Participant number 7:

*“From Camden we have received very little, some projects I ran myself, unfortunately lack of participation and commitment from Camden. The dynamics from Foundation are different from Power stations” (P7, Quote 6:3).*

She further added:

*“The community needs are at ground level and will love to be engaged at that level, unfortunately should be driven by Practitioners. Arrange things like a rally day to demonstrate that power station takes care of the community. The Power stations needs a*

*strong Comms (Communications) person who is committed and willing to work closer with CSR project manager” (P7, Quote 6:8).*

It can be deduced that Camden practitioners are not committed with regards to CSI issues. It is notable that no request came in to the Foundation from Camden. It can also be noted that it has been a while now since requests were made. It can also be deduced there is a need for full time CSI practitioners at power stations until the developmental issues such as employment and education within the community have been ameliorated.

## **Subtheme 2: Eskom budget**

It emerged from the findings that another major contributing factor which is currently hampering successful implementation of CSI projects is Eskom’s financial constraints. These challenges are characterised by the budgets cut due to NERSA. Furthermore, there are possibilities that these power stations do not apply or have ignored the CSI projects due to finances that have been cut. This echoes the findings of Njoroge (2009) that businesses are in consensus that financial crisis affects social projects. In addition, financial crisis may result in stalling of projects, postponement, or cancellation of the social projects.

The response from Participant 7:

*“CSI It’s not effective, there is no budget. They were advised to at least budget for marketing part, not just CSI: Power stations ‘sponsorships here and sponsorship there, towards the community. We don’t know unless they submit the applications, like Grootvlei. My perception is that they don’t perform at all, because they don’t have a budget. You can observe from the protest within the community when people burn tires and bared the entrances” (P7, Quote 6:12).*

Participant further added:

*“Budget, Red tape when coming to CSI. Non-participation of regions, whether distribution, Transmission or Generation” (Quote 6:14).*

It can be deduced that current financial crisis within Eskom's fraternity might have inhibited successful implementation of projects as they have been put on hold. The perception is that the situation might become better once the financial crisis is averted.

The next sections present findings from Case 3 as articulated by Management team members from the two power stations.

## **5.6. Case 3: Power Stations Management**

### **5.6.1. RESEARCH OBJECTIVE NO: 5 : TO EXPLORE THE VIEWS OF MANAGEMENT REGARDING SUSTAINABILITY OF CSR INITIATIVES**

The fifth objective sought to explore the views of management on the sustainability of CSR initiatives. The sustainability in this study is the development of community capacity to establish a sustainable community even when the power stations have been mothballed. Participants were asked how the CSR initiatives of the power stations can alleviate poverty, unemployment and improve education.

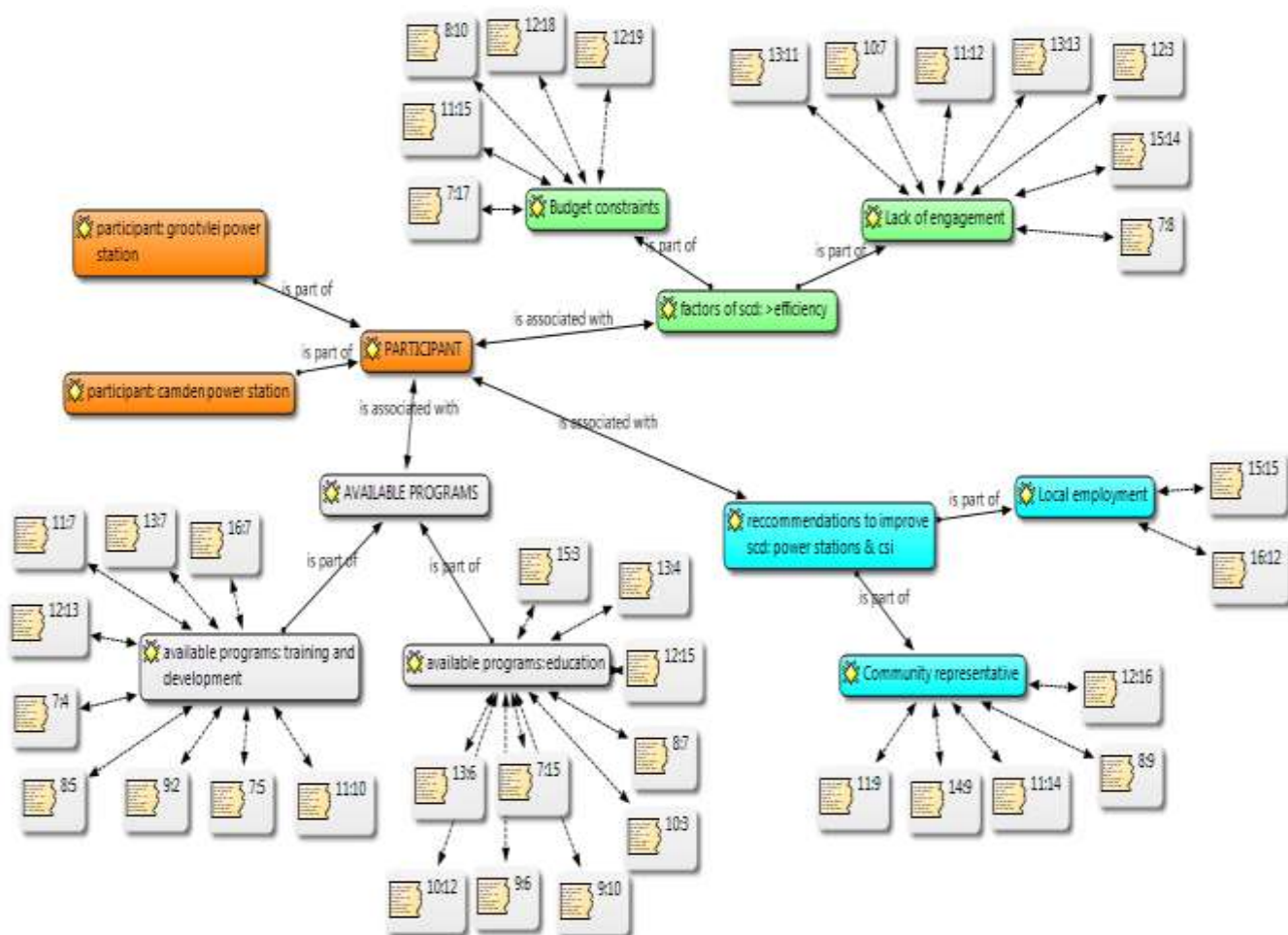
To respond to this objective and question, the following processes were implemented in analysis of the responses from the interviews:

- Utilising the codes concurrence table function in ATLAS.ti, the management were considered.
- The views of management regarding the sustenance of CSR towards education, unemployment and poverty alleviation.

The following themes from interviews participants' opinion were identified:

- 1) Available Programmes
- 2) Factors affecting successful implementation of sustainable development

The themes allowed the researcher to explore, describe and answer the research question on chapter 1. These themes are presented by ATLAS.ti Network Diagram (Figure 5.4) below.



**Figure 5-4: Power station's Management responses**

**Source:** ATLAS.ti Network Diagram

Table 5.4 below is a descriptive summary of these themes and subthemes presented as findings that emerged from the study. The first theme will be presented, and then followed by its related subtheme.

**Table 4: Themes and subthemes: Power Station Management (Case 3)**

1. Available Programmes	1. Training and Development 2. Education
2. Factors affecting successful implementation of sustainable development (factors of SCD > efficiency)	1. Lack of Engagement 2. Budget constraints

The following are the responses from Management teams as described by themes and subthemes that emerged. Firstly, the responses from Camden will be highlighted in this section then followed by responses from Grootvlei in the next section.

### **Theme 1: Available Programmes**

The findings from the two power station's Management indicate that there are programmes available to sustain the community. These programmes seem to be operational from the two power stations although very slowly. It was indicated that the programmes of the organization were over a period of 7 years so that there was a meaningful contributions and not just donations. It was evident that funding this programmes for such a long period ensured the sustainability of the programme as the capacities of learners enhanced. These programmes will be discussed under the subthemes that emerged, which are:

- 1) Training and development;
- 2) Education.

These subthemes were found common to both power stations.

#### **Subtheme 1: Training and Development**

Firstly, the responses from Camden Management will be presented then followed by Grootvlei Management.

As part of available programmes and indicated on the network diagram, Figure 5.4 above, these quotes emerged regarding the issue of available programmes. From the analysis, it is evident that the station seems to have plans in place to develop and uplift the community of Ermelo with regards to training and development in uplifting the community. It is noted from the quotes that there is an intention to ameliorate poverty within Ermelo community. The findings therefore indicate that the CSR initiatives of Camden were responsive to the educational and training of unskilled community to improve their livelihood. The responses from participants are consistent with the findings of (Muthuri, Moon & Idemudia, 2012) who emphasised the importance of procuring services locally and ensure that employment opportunities are made available for local community.

The response from Participant number 8:

*“CSR is not a mandate, but a best practice – some mandates are constitutional, the current CSR mandates are not constitutional. We alleviate poverty, by offering employment and are not employment agencies, but make employment opportunities available so that they participate in the economy. If jobs are not available, then they are not available. However, we do ensure that people takes part in the economy “(P8, Quote 11:7).*

Participant 8 added:

*“Notwithstanding the fact that we are technology driven industry, procure services that are not technology driven: normal grass cutting, cleaning, woman to clean; a lot can be done to support the community. Grass cutting, cleaning – a group of people – supply of stationery – transportation – This contributes largely to the community” (P8, Quote 11:10).*

Participant 9 supported:

*“There is a database created at Department of labour, all low level skilled people to submit their CV’s so that they can be contacted when opportunities arise from contractors”(P9,Quote 12:13).*

Participant number 10 reiterated:

*“Business case of Camden: operates with Contractors– Camden have made it clear and have partnered with Department of Labour, when opportunities arise at Camden: first try local community for low skilled labour when opportunity arises – hence all partners are advised that you shall source at Ermelo, unless the skill is not available at Ermelo (P10, Quote 13:7).*

Other improvements highlighted by Participant 11:

*“There was no effort to visit community; we have since changed that because we have a*



*couple of exhibitions, awareness and education. We follow different streams now, twice in a year, commercial guys will have seminars at the community halls/public forums, career: educate community how to get business into Eskom business. For career and education as well, we visit Gert Sibande colleges, distribute pamphlet at high schools where we educate the youth regarding bursaries and learnership programmes and so forth. Those looking for employment there is also a different stakeholder forums where these issues are discussed, educate on how employment is being sourced (P11, Quote 16:17).*

It can be deduced that Camden Management do have plans in place to assist the Ermelo community to improve training and development. As aforementioned, the Management also stated that there is a vision and strategy in place. The probable deduction is that there is ineffective communication and engagement with the community to ensure awareness of available programmes with regards to training and development.

**The following were responses from Grootvlei Management:**

It emerged that training and development is one of the major components of CSR. Management felt strongly regarding the development of the community, especially the poor. They highlighted that there are plans and initiatives in place to curb low skills level at schools. They highlighted that they have within their own station budget, sent some of the community members to universities. This is a phenomenal finding at Grootvlei Power Station. This is what they said:

The responses from Participant 12:

*“Even Balfour is one of the most ill skilled communities; education level is very poor, low skilled. We have started our initiative; we encourage and enforcing contractors to train people as welders, riggers, work on heights or whatever the skill so that the time the contract expires, they have something they have developed themselves and have certificates. From the station we are taking students to schools to curb low skills, this year we take 6 students to Varsity, the station budget. The budget is limited only to books and fees, 60% English, math's and Physics. We still push with further studies as well as we have a student at Wits doing Chemical engineering” (P12, Quote 7:4).*

Participant 11 added

*“We do support couple of charities. We have contributed couple of computers to surrounding schools. We also tiled schools, burglar doors, and repaired their electricity, fencing around the school. We have also done collect a can campaign. We have our OPS employees who bring toys, books and food to schools at their own expenses. There are YP’s that assist Grade 12’s in different schools as well. Our local contractors contributed Science lab to the other schools” (P11, Quote 7:5).*

Participant 13 further echoed:

*“The power station has engaged in a number community development initiatives, local recruitment initiatives, donations and sponsorships to worthy causes and assisting local businesses to grow and to be able to do business with us “( P13, Quote 8:5).*

Participant 12 expressed a similar view stating that:

*“We engage with community on regular bases, transport, job seekers. We discuss at forums all burning issues. Local economic development forum, the community issues are discussed as well, the resources available and all burning issues. We also liaise with the Mayor’s office. (P12, Quote 9:2).*

It is evident that there are effective communication and engagement strategies at Grootvlei regarding development and training. It can also be observed there is a unity among Management and community of Balfour as they are not being enticed and left in suspense.

## Subtheme 2: Education

The responses from Camden Management regarding the issue of education will be presented.

Education constitutes one of the CSR initiatives and it is evident that there are lot of low-level skilled people within the Ermelo community. This can be attributed to why there are few community occupying higher positions at Camden. The educational programmes are aimed at increasing employability of the youth as well as creating availability of skilled workforce to meet the human capital requirements of the country, thereby , empowering the youth to become self-sufficient in future. This is echoed in the findings of Hope (2012) that Education is the important area for engaging youth and for youth development. The management reported that they encourage learners to complete their Grade 12's with good results. They also assist tackling Grade 9's so that they know what job contents of their career are all about. However, there seems to be plans in place to improve quality of education as per quotes below:

The response from Participant 13:

*“First time at Camden, never been established before, encourage the learners to complete their Grade 12 with good results. Assist in tackling grade 9's so that they know what job contents of their career are all about. Ensure their subjects are in line with their career path. It's important that when you are young you are aware of what job contents require. It has also been highlighted as gap that most people don't know what subjects and training should pursue in order to be employable” (P13, Quote 12:15).*

Participant 14 supported by:

*“If for example there were schools that required computers, chairs, projectors and so forth – clear guidelines – equipment to offer what type they need. We don't want to donate the equipment that we can't guarantee the service: Something that is “cradle to grave”, if you give equipment, you need to service it, no consequence” (P14, Quote 13:4).*

Participant 15 further added:

*“Skills plan community surrounding areas encourage the kids to follow certain careers. Our skills retention and plan looks at surrounding community; we look at the profiles at*

*Ermelo and advice schools the right stream in case they want to stay and work around their area “(P14, Quote 13:6).*

It can be deduced that there is definitely plans in place to improve the skills of local community to prepare them for future available positions and opportunities within Camden. The findings reflect that there is definitely shortage of skills and qualified people within the community. The researcher believes a probable solution would be that the process to educate and uplift the community is very slow and still at infant stages.

**The following are responses from Grootvlei are as follows on the phenomena of education:**

Management reiterated that Balfour community are very ill-skilled and don't have proper qualifications to enter the Industry. However, there are good initiatives to curb the low skills and Management is involved to ensure the success of this project. They have also initiated a project for learners to compete among themselves and the best learner is rewarded. The involvement of young professionals to drive CSI issues has also taken Grootvlei reputation to new heights among Balfour community.

Participant 17 highlighted that:

*“Management involvement with local schools. By-weekly visit by Top 30 at Greylingstad to encourage learners and to compete amongst themselves. We also give awards quarterly. We donated computers, printers and laboratory equipment. We also encourage our service providers to give training to our local community wherever possible in their businesses” (P17, Quote 8:7).*

P17 further reiterated:

*“The Grootvlei Young Professionals programme is initiated in a drive to get the Young Professionals to be more involved and hands-on in various aspects of the Business Unit of taking the BU to newer heights. The programme is also intended to advance the career aspirations of all motivated and driven Young Professionals in the station” (P17, Quote*

10:3).

Participant 12 further added:

*“The Young Professionals assist by telling their life stories. It’s important to send people of the same age to the schools. We do have workshops with schools and invite them to work, i.e. ‘take a girl to school’ (P12, Quote 7:15).*

It is evident from the findings that Grootvlei has indeed done more on education to ensure sustainable community development within Balfour area. It can be argued that they have demonstrated some commitment to a greater extend to sustainable community development.

## **Theme 2: Factors of SCD> efficiency**

It emerged from the findings that there are number of factors which according to Management could be inhibiting the successful implementation of SCD at the power station. These factors are represented by subthemes that emerged, namely; lack of engagement and budget constraints.

### **Sub-theme 1: Lack of Engagement**

The responses from Camden will be discussed first then followed by Grootvlei.

Camden Management confirmed that there are indeed factors which might be contributing to slow implementation of SCD although there is a strategy in place to curb the developmental issues. The patterns that emerged were lack of engagement from Management as they were not proactive but rather reactive to resolve community challenges which led to unforeseen community protests. The Management attested that they normally wait until there is a problem before engaging. This is consistent with the views of (Carr, Howells, Chang, Hirji and English, 2008) that early engagement provides valuable opportunity to influence the community perception and set a positive tone with stakeholders early in the process. Furthermore, engaging with stakeholders from the start... enables a proactive cultivation of relationships that can serve as “capital” during challenging times. The findings from the study

conducted by Ayatah (2012) revealed that challenges with engagement are mostly due to casual and ad-hoc actions and the non institutionalization of stakeholder management.

It came out clearly from the interviews that Management engages less with the community. It is imperative for Management to bridge existing gaps with the community by means of continuous communication to ensure community development initiatives take place. It was also noted that some jobs, inter alia: cleaning, were offered to local community. However, they were not interested in these types of jobs. The following quotes are responses from Management:

The response from Participant number 16:

*“It is when there is no proper engagement between Power Station Management and community members; this will definitely lead to protests” (P16, Quote 10:7).*

Participant 9 supported:

*“We only informed them of possible tenders that might be coming. We have enticed them this is what is available or coming, if you adapt, be ready in case opportunities come up, but we always leave them hanging(P9, Quote15:14).*

Participant 8 further added:

*“It’s an area we don’t do well; we engage less. We do target schools but don’t do much on community issues/concerns at meetings. There is committee onsite ran by HR and communications department they deal with community concerns, but the approach it’s more of reactive meetings that being proactive because they only engage when community is upset, it’s Eskom, community and Department of Labour. I have never seen Eskom taking the lead as we wait for schools to submit applications; it’s a layback approach. We don’t go to schools to identify gaps. We are not going to schools to identify gaps and proactively assist. We don’t go to schools to tell them that you don’t have books, computers, laboratory – people talk about skills shortage, I have never seen us as an organisation going to address these challenges of ... and look of education which leads to poverty eradication. Education is the basic need – the feeder system where Camden can lay a foundation. Nothing is done. ” (P8, Quote 13:11).*

It is evident that engagement with the community is a milestone of any project. The probable solution is continuous engagement with the community to understand their needs and issues at hand. This finding reveal that Management should not wait until there is a community protest before responding to community needs, and in this regard damage would have already been done. The management need to engage with the stakeholders at different stakeholder forums to address community concerns.

**The following were responses from Grootvlei regarding the concept of lack of Engagement.**

The findings under the concept of community engagement at Grootvlei came out negative. Management believes there is still a gap that should be closed and engage more with the community. This is in consistent with the findings of (Masuku & Ndhlovu, 2014), regarding the weaknesses of Practitioners in their attempt to practice effectively and implement community social programmes to boost the image and reputation of the business. This concept was highlighted as a contributing factor to unsuccessful implementation of SCD.

*My view is that Eskom is not engaging more with the community (P18, Quote 7:8).*

The pattern that emerged under this subtheme was lack of community engagement with the community hence the community is not informed on some of the initiatives and left behind.

The last subtheme, the budget constraints, which emerged during data collection from Management, will now be discussed.

**Sub-theme 2: Budget constraints**

It emerged from the findings that there are financial challenges within Eskom as echoed by the Management. They alluded that some projects have been put on hold and no execution as they have been stopped due to financial constraints. This findings are consistent with the arguments of Njoroge (2009) that businesses are in consensus that financial crisis affects

social projects. They acknowledged that their budgets have been cut and focus is more on maintenance to ‘keep the lights on.’

The response from Participant 8

*“There is no budget locally; it has been taken away. Our mandate is to look at applications, decide whether we grant or not, final approval comes from ESDEF. Our budget line for donations is very minimal (P8, Quote 11:15).*

Participant 14 responded:

*“As Young Professionals, we are not being given enough budget and opportunity to run the community projects and develop their capacity (P14, Quote 12:18).*

Participant 15 added:

*“No. There was a donation budget of about R60000 per year, not sure if it’s still there. If we want to run projects, we ask Management and seek for donations. Young Professionals don’t have their own allocated budgets; we do have brilliant ideas, young fresh minds, and full of energy. Unfortunately, we cannot pursue this project because we don’t have money to do that (P15, Quote 12:19).*

It could be deduced that it is imperative to include CSR projects under local station budgets. These will ensure that some small projects continue to run while there is a financial challenge within Eskom. This is also an indication that the programmes are designed with a specific target groups in mind, and are based on the development issues outlined by government and other developmental businesses. There is a clear criteria outlining what should be done and what is to be achieved at the end of the programme.

The next section will present findings from Grootvlei Management regarding the budget constraints. The finding indicates that the budget was tremendously cut, however they still follow-up on community issues by utilising their own station internal budget.

Participant 11 responded:



*"Yes but the budget has been tremendously cut due to financial constraints within Eskom (P11, Quote 8:10).*

Participant 12 supported:

*Yes, it reduced the budget, despite this, we will still continue as we operate within this community. Whether you don't make profit or not, you still need to give back to community (P12, Quote 7:17).*

It can be argued that, despite current financial challenges within Eskom, Grootvlei mission of SCD has not been halted and they still continue to support the community of Balfour on issues of education.

## **5.7 CONCLUSIONS**

This chapter presented the findings from research for the three identified cases namely: 1). Community of Ermelo and Balfour; 2) Mpumalanga CSI Project Manager; 3) Camden and Grootvlei Management. Different themes and subthemes that emerged were grouped together for each case to answer the research question and to address the research objectives. The network diagram for each case was also presented by means of ATLAS.ti, a computer aided software for qualitative analysis. Verbatim quotations from each of the participants were presented as justification of the findings.

The researcher has found that community of Ermelo was not aware of Eskom's initiatives and they were unable to influence them. It has been found that the initiatives are not shared at the relevant forums where all stakeholders are involved. Management also takes too long to respond to the community requests as they only entice them and they feel neglected because of no timeous feedback. Most of the community members are low-skilled and their interest is to get employment and nothing else. The power stations do have programmes to develop the community, however, these programs, although still at infant stage, are not driven rigorously to reach and meet the demands of the community, and also engage the community about them. The community felt a needs for someone who is committed to follow-up on their issues and provide feedback, inter alia; Professionals. Based on the responses from participants, the

researcher can conclude that CSR initiatives can be sustained by expanding the programmes to reach the large part of community and they might give a different perception regarding initiatives from the power stations.

The positive response from Grootvlei community, Management and CSI Manager is an indication that there is a proper engagement and commitment from all stakeholders. On the issue of education, it is evident that Grootvlei has progressed well on this phenomenon of CSR. There are still few areas that need to improve; however, there is harmony between community and Management.

The next chapter presents the recommendations and conclusions for this study.

## **CHAPTER SIX**

### **6 CONCLUSIONS AND RECOMMENDATIONS**

#### **6.1 INTRODUCTION**

The study was set out to explore corporate social responsibility in terms of sustainable community development at Eskom's Camden and Grootvlei power stations. The study has identified differences in responses and perception of the participants whether the initiatives provide sustainable community development, inter alia; unemployment alleviation, education and poverty eradication. The study also sought to answer the following research question which guided the research in fulfilling the Aim and Objectives of the study.

- What is the contribution made by the selected power stations to the phenomenon of sustainable community development as it relates to the alleviation of poverty, education and unemployment?

The researcher will now refer back to the objectives, summarising the main points of conclusion that can be drawn from the research. The empirical findings from the study with respect to the objectives.

##### **6.1.1 RESEARCH GOAL AND OBJECTIVES**

Following the review of the literature in (chapter 3), five main research objectives for this dissertation were identified.

- 1.) To explore the community awareness of Eskom's initiatives towards SCD.
- 2.) To explore the perceptions of participants about the responsiveness of CSR initiatives to sustainable employment and training of unskilled community.
- 3.) To explore factors inhibiting successful implementation of sustainable development (factors of SCD > efficiency).
- 4.) To explore available programmes for the sustainable development of the community in terms of training and education.

The researcher will now refer back to objectives, summarising the main objectives of conclusion that can be drawn from the research.

### **6.1.2 Developments and Findings Relating to Research Objective 1**

This objective was met in the literature review in that the conceptualisation of ‘Awareness’ was outlined by discussing ways in which community can be made aware of initiatives to meet their social challenges. The level of awareness has also laid a ground to explore the perception of the community towards CSR, objective 2, which will be discussed later.

- The awareness of CSR initiatives may be as more important as organisational actual CSR.
- The business or the power stations should make the community aware of what initiatives are available and which once are not yet available. The key stakeholders in the community are less aware of CRS initiatives. The community engagement department should focus on reporting the social issues and relationship building with all key players. The lack of awareness has indeed created a legitimacy gap and the stakeholder engagement is more likely to informed management thinking and decision making. A good stakeholder relation is a prerequisite for good risk management.
- Pomeroy and Dolniar (2009), denotes that communities are influenced by CSR initiatives if they are aware of them. This is further posited by (Masuku, Chitsike and Moyo; 2014) who found that communication strategies and dissemination of information between business and community are of paramount importance.
- The finding of the literature study has been compared with those of the empirical study; where community has mixed feelings regarding their awareness of CSR initiatives. It has also been found that only those who actively participated in the programme were aware of the initiatives.

### **Summary of Objective number 1:**

The community should be made aware of all initiatives by the power stations. As most of this community are destitute, low skilled level and unemployed, it is inevitable that relevant information is disseminated to community at ground level. The community structures (stakeholders) that engage with Eskom should ensure that all information is shared or reaches the affected community. The power station stakeholders should be transparent and share all information to avoid any comebacks. The researcher feels that with this approach, the community and even kids at young age will be aware of what is available and what not. This

will transform their way of thinking and encourage them to study even more. Furthermore, the power station committee should initiate a strategy to engage with people within the community besides their representatives just to make sure that the information reaches them, inter alia; it could be at the taxi ranks, the malls, churches or any other environment where community congregate. The community should be involved in selecting projects that will benefit them the most.

### **6.1.3 Developments and Findings Relating to Research Objective 2**

- The perception of CSR initiatives may be as more important as organisational actual CSR.
- The level of awareness has also laid a ground to explore the perception of the community towards CSR.
- The studies revealed that there were mixed feelings regarding CSR initiatives to sustainable employment and training of unskilled community.
- The participants who were part of the actual programmes confirmed that their livelihoods have improved and were optimistic their future shall become better. The findings revealed that without support provided by the power stations, many of the participants would not have had a better and brighter future ahead of them. The participants in the bursary and skill development programme acknowledged that the programme gave them opportunity to develop and required skills and knowledge.
- The participants who were not aware of initiatives gave a more negative perception about the initiatives and they felt ignored as their dreams have still not yet materialised. In contrary, the participants should be made aware of the initiatives in order to have a more positive perception towards the power stations.
- It could be argued that understanding and knowledge of CSR in relation to initiatives, programmes and projects within the community by all stakeholders contribute towards the sustainable economic and community development.

### **Summary of Objective number 2:**

The community should be made aware of all initiatives, programmes and projects which are relevant to them so that their attitude and behaviour towards the power stations can change for the best. The more positive approach from the community will be best for business. It is

inevitable that the community should not become frustrated towards the power stations but harmony and peace. Once this in place, there would be minimal protest towards the power stations.

#### **6.1.4 Developments and Findings Relating to Research Objective 3**

The objective sought to explore the views of the participants regarding factors that could be inhibiting successful implementation of sustainable development. This objective was achieved in the literature review as the important variables and the phenomena relative to the topic were articulated. The themes that emerged during data collection, inter alia; lack of engagement, lack of communication, lack of commitment and the budget for CSR initiatives provides evidence and synthesis of arguments presented in the body of the literature to show how these converge to address the research objective.

- The King report argues that the multi stakeholder engagement approach of business needs to be reviewed in achieving the fundamental changes in the governance of sustainable community development (King III, 2009). The one area of CSR application concerns vigorous community engagement, that should commonly be understood as the process implemented by business to work collaboratively with and for individual citizens and community groups to address issues affecting the community (Bowen, Newenham-Kahindi & Herremans; 2010). The business should be clear about their own and stakeholder' rationale for participation and be able to facilitate the creation of appropriate structures to address issues at hand, thereby sustainable communities (Muthuri, Moon & Idemudia, 2012). It is evident that when business engage more with the community, they will become more knowledgeable regarding initiatives, the perception and behaviour will tend to be positive. The continuous engagement with the community should be able to resolve long outstanding unresolved issues that affect their livelihood.
- The medium or communication strategy developed by the power stations and its community is of the paramount importance and can be regarded as the best approach to enhance community developmental needs (Masuku, Chitsike & Moyo; 2012). The communication framework was not adopted by the power stations; hence the community projects were left hanging. The community believe that a dedicated community engagement department should be established. Furthermore, gaps have been identified due to no or little commitment from the CED which is responsible for closing the communication gap between business and stakeholders. The established

CED departments should have passion in executing community issues and this should improve communication as well. The communication of initiatives, projects and programmes shared via newspapers, road shows, public places, including taverns, and then they will be in a better position to equip them with knowledge regarding available jobs and tender process.

- Mariri and Chipunza (2011) posited that lack of commitment by business in terms of stakeholder theory inhibit successful implementation of CSR initiatives like unemployment alleviation, education and poverty. There should be a genuine commitment of all parties to the partnership process. The South African environment in which Eskom operates poses the challenges of unemployment, poverty and inequality. Therefore, Eskom has created a transformation strategy that articulates its commitment to contributing to the resolution of these challenges.

### **Summary of Objective number 3:**

All the challenges were highlighted which seem to be the main reasons why CSR is failing. The community and Management should have a common understanding about programmes, projects, identification and implementation thereof. There should be proper stakeholder management established, continuously communicate with the community regarding issues that affect them and all stakeholders to demonstrate some sense of commitment. When there are stakeholder meetings, the stakeholders should be represented to ensure that the meeting yield results. With this approach, then all stakeholders will have a win-win situation with no blame shifting. The stakeholders should be given tasks at every meeting and are expected to deliver and give feedback on the next engagement. This approach will enhance community awareness and yield positive perceptions regarding CSR initiatives. The business and stakeholders should work together in hopes of mutual gain and have a significant input on the business. The vision and needs of stakeholders should be clear with strict deadlines. If the stakeholders cannot deliver, then continuous feedback should be provided regarding inhibiting factors and what new plans are in place to address them.

#### **6.1.5 Developments and Findings Relating to Research Objective 4**

This objective sought to explore available programmes for the sustainable development of the community in terms of training and education. This objective was achieved in the literature review as the important variables and the phenomenon relative to the topic were articulated.

The themes that emerged during data collection, inter alia; Education, Training and development.

- The numbers of educational programmes are in place although driven by Eskom Foundation. Those that participated through this programme have benefitted and made it possible to pursue their studies; they went to universities, and were employed after they qualified. Hope (2011) suggested that it is important to provide relevant education and training for youth engagement and development. The programmes have also offered some community members skills and were able to find jobs. It is unclear, however, whether this community members were from areas of Ermelo & Balfour.
- The low level of skill is evident in the community of Ermelo and Balfour and this resulted in few community members employed at higher positions especially at Camden power station. However, educational programmes are in place aimed at increasing employability of the youth as well as creating availability of skilled workforce to meet the human capital requirements of the country, thereby empowering the youth to become self-sufficient in future. Furthermore, local schools are offered old computers, office equipment and any help that can be offered. The educational tour around the community takes place to ensure that their subjects are in line with their career aspirations.
- The findings of (Muthuri, Moon and Idemudia, 2012) emphasised the importance of procuring services locally and ensure that employment opportunities are made available for local community. The local community are offered employment, training and development via contractors. The contractors decide whom to employ or not depending on the CV's submitted at the department of labour. This is in contrary with the findings of (Masuku, Chitsike and Moyo, 2014), that the Management assist in the recruitment of unskilled labour on behalf of contractors, and this contributes to the reduction of poverty. These assist the power stations to promote local employment and it is the responsibility of management to ensure that contractors make resources available for the development of community. The adherence to this should definitely harmonise the surrounding community as most of them would have been employed.



#### **Summary of Objective number 4:**

The management programme on education, training and development should be made rigor to ensure that they reach the broader community. The long term contractors should submit their skills, recruitment and educational plan on how they are planning to ameliorate unemployment within the community. Their plan should include both short and long term strategy to deal with current unemployment rate and low level of skills. This has been a challenge at this return to service stations for over many years. The local community cited that every time they request employment, the issue of low level of skills comes into picture, however, nothing is done to improve them and their dreams of being employed have not materialised. The researcher believes that if these three concepts are well managed, then the livelihood of the community will improve. As part of future research, the contractors and Eskom, should be able to demonstrate quantitatively, how many people from community have they developed and trained. Alternatively, something that has never been done before: Eskom should employ unskilled labour for the contractors; Eskom should advertise, conduct interviews and recruit on behalf of contractors. In this way, Eskom will have full control over the local community especially the unskilled labour.

## **6.2 Recommendations**

Derived from the findings, it appears as if corporate social responsibility practices at these power stations still need to be refined. In order to facilitate this, the researcher will present the following recommendations that emerged during data collection (figure 5.4) as per ATLAS.ti Network Diagram. According to the researcher, these two concepts are the major challenges affecting the community and require immediate attention.

### **6.2.1 Recommendation 1: Local Employment**

The power station management should make concerted efforts in their endeavours to sensitise all contractors to employ locally. The working forums should be established, monthly and quarterly meetings and workshops to discuss employment issues with contractors. Broumels and Main (2014) assert that there is a high unemployment rate within the communities of Balfour and Ermelo. It is thus very important that all relevant stakeholders should work collaboratively to adress issues affecting the livelihood of the community who have special interest or similar situations (Driscoll, 2008; Masuku, 2011). The phenomena of unemployment require proper engagement to resolve long unresolved gridlocked issues

especially that the community cited that they were promised jobs during the return to service of the power stations, however, their dreams have not materialised. It is for this reason that more intensive workshops could be organised so as to illuminate the meaning, importance and practices of local employment. It is undisputable that no single text on a topic as complex, wide-ranging and dynamic as corporate social responsibility and sustainable development community development can cover all issues or satisfy all needs. However, the management should take it to task and ensure a number of locals are employed, especially the unskilled labourers. The management should also assist in the recruitment of the latter on behalf of contractors (Masuku, Chitsike and Moyo, 2014). For every new established contract, it is important that a certain number of employees are from local community and management should take strict measures against contractors that do not apply.

The local community that do not possess the required skills, should be trained and offered the certificate of competency by the contractor as to equip themselves for future endeavours. It is further recommended that these training programmes should not require that potential community have educational achievement to participate, since such requirement will impede their access to those developmental programmes. All available projects, tenders and job opportunities should be shared with the local community at different stakeholder forums. With this approach, the community will have access to the information without having to pay for internet access. In case the skill required is more specialised, then an agreement should be made with the community that the skill will be sourced outside the area to prevent interruption of electricity supply. The management should also look into the possibilities of diversification and engage with the local Mines and Transnet on possibilities to curb unemployment; the combined social labour plan to become consolidated ideology in targeting unskilled labourers. The management should ensure that they deliver on what is promised and continuously provide timeous feedback.

The community should be encouraged to bring forth new ideas on how they plan to better their livelihood. This is part of their own development and increases their choices, meaning new options, diversification, improvement, a direct attempt to improve participation. They should be made aware that social development is a win-win situation and two-way traffic and should not only be initiated by management. It is a gradual growth of community to become more advanced and stronger (Christenson & Robinson, 1989; Sen, 2001). The community should be given a chance to play its role in the use of resources in a sustainable and progressive manner, with the intent to meet their current needs (Idemudia, 2007b).

Furthermore, the community should be encouraged to constructively challenge management to gather the number of people employed from local community. These considerations were motivated by the high unemployment rate within the community of Ermelo and Balfour.

### **6.2.2 Recommendation 2: Education**

One of the major CSR initiatives is to ensure that local community are educated and empowered with relevant skills to become employable within the local businesses. The Eskom educational programmes should be made known to the community at different stakeholder forums. The primary objective of Eskom Development Foundation's socio-economic development programmes in the community associated with its operations is to help empower local community with an appropriate mix of skills, education, economic opportunities and enhanced infrastructure in order for them to enjoy improved and sustainable livelihoods. This programme should be shared with the power stations and how best can it be utilised to meet the community needs.

According to Hope (2011), providing relevant education is a critical factor for youth engagement and development. As highlighted under problem statement, most of the community from Ermelo and Balfour have low level of skills hence they are not considered for job opportunities. The support for further education is provided to prepare the youth for employment and draw the pipeline from which to draw technical skills. These prepare the candidates not only for Eskom, but any business (Masete, 2011:18; Shongwe, 2008:35).

Management should be involved at local schools and give awards quarterly or at any agreed period. The old computers, printers and laboratory equipment should be made available to schools. The educational tour around the community should take place to ensure that their subjects are in line with their career aspirations. The contractors should also be encouraged to offer training to the community wherever possible in their business. The power station employees, especially young professionals, must take the lead to upgrade the Grade 12 learners' education. This can be done by assisting with Maths and Science over the weekends. They must also encourage the former to complete their grade with good results. They can also assist to provide career guidance and career path to ensure that those who want to work at power station once they have completed their studies, are ready to be employed into the power station. The school kids needs to know at an early stage about opportunities available at power station and their chances for future employment. According to Mariri and Chipunza (2011), there should be genuine commitment by all parties to the partnership

process. In support of this articulation, Joppe (1996) denotes that community development entails the process designed to create the conditions for economic progress. The community is therefore encouraged to create conditions that seek to improve their economic situation. Thus the community representatives should encourage participation of the community in shaping their education by submitting request to Eskom so as to improve low level of education in this community. It is therefore inevitable that the educational requirements are discussed at different stakeholder forums.

### **6.2.3 Implications and utilisation of the findings of this research**

Justice would not have been done to the Ermelo and Balfour participants, plus the power station participants, the target of the research, if an opportunity were not created for the findings and recommendations of the research to be shared with them. It is recommended that a session be organised for the findings of the research to be presented to the participants and any other interested power station that might be experiencing similar challenges. This exercise will definitely justify the purpose of formulating the recommendations as stated in 6.2 above. The researcher is expected to initiate the recommended information-sharing session to share the findings with the interested parties.

### **6.3 Limitations of the study**

The study was limited to the two Eskom's power station's corporate social responsibility initiatives; given that the participant sample was not representative of any particular population, the results of this study speak primarily to the experiences of the interviewed participants. Therefore, the generalizability of the results is limited. There was a possibility that participants gave socially desired answers, responses that they deemed desirable but not necessarily their genuine views of the programmes and initiatives of the two power stations. Although it is never a goal of qualitative methods to state objective truths within a phenomenon, or to generalize the results, the findings of this study are limited in application to the participants studied. Furthermore, the participant sample size of 17 could have been increased to gather a greater understanding of the stability of results. It is important to note that the community interviews at Balfour were conducted on behalf of the researcher and this could have been a limitation in this study as well, inter alia; someone conducting interviews on behalf of the researcher. This limitation could have the effect in influencing the results. Accordingly, some of the following conclusions were reached:

- Lack of experience and exposure of certain participants to CSR, could give rise to problems interpreting certain statements;
- The questionnaire might have been ambiguous and lack of contextual clarity;
- The responses from selected participants might create bias;
- Limited knowledge and understanding of ATLAS.ti by the researcher;
- The research was conducted at two Eskom power stations and therefore results cannot be generalised;
- Time and budget constraints restricted the researcher to demarcate the study to the two research sites; and
- Unavailability of other participants to partake in the study.

#### **6.4 Future Research direction**

The results from this study form a foundation for future research to address further aspects of CSR within a larger, more diverse sample size. It is evident that somewhat similar experiences existed for stakeholders that were interviewed regarding their knowledge and understanding of Eskom CSR initiatives and how this has influenced their lives. However, differences may be found with a different and larger sample size. A few notable direction for the future research could be increasing diversity of participants ( for example, include older people living in this areas, employees of the power stations and not just Management, people who completed their matric, contractors) in future research could add to the depth and accuracy of findings regarding sustainable development within their community. Furthermore, conducting focus groups regarding the initial findings could improve the stability and consistency of the findings by decreasing the potential for research bias to cloud the interpretation of the data.

Further study can also be taken as follows, for example:

- Investigate and identify the barriers and challenges affecting successful implementation of CSR within the community and delve deeply in the community by participating and observing the CEFs.
- Finally, this research was conceived as an initial investigation into an area of CSR within Eskom power stations; but obviously it cannot address all the implications of these problems. As a result, further research could be embarked upon to investigate CSR

related challenges by means of quantitative research, including for instance, exploring a local community CSR vision and strategy, CSR improvement and learning.

## **6.5 Conclusion**

This study found that the community around the power stations have social problems and they perceive most problems are being caused by the power stations. Therefore, the solutions, they say, are the responsibility of the power station. Furthermore, the study indicates corporate social responsibility in power stations is predominantly characterised by an inappropriate initiatives or programmes. The overwhelming impression based on the results is that the current corporate social responsibility programme are adopted and implemented directly without consultation with the community to meet their new challenges. The vast differences between perceptions and expectations mean that this study represents the start of a long-term process. The limitations of the study were highlighted, the conclusions pertaining to this study were also made, and the recommendations were made to Management.

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**Appendix A: Letter of Approval from the Research and Ethics Review Committee**

DEPARTMENT OF BUSINESS MANAGEMENT RESEARCH ETHICS REVIEW COMMITTEE

31 October 2014

Dear Mr Andrew Botshe,

**Decision: Ethics Approval**

Ref #: 2014\_CEMS\_HM\_023

Mr Andrew Botshe

Student #:40732363

Prof E Rankhumise

**Name:** Mr Andrew Botshe – Principal Researcher (botshe@eskom.co.za; 0824848548)

**Proposal:** Accessing Corporate Social Responsibility on Sustainable Community development. A Case of Eskom's Camden and Grootvlei power stations

**Qualification:** Postgraduate degree

Thank you for the application for research ethics clearance by the Department of Business Management Research Ethics Review Committee for the above mentioned research. Final approval is granted for the duration of the project from the date of issue.

*For full approval: The application was reviewed in compliance with the Unisa Policy on Research Ethics by the Department of Business Management on 22 October 2014.*

*The proposed research may now commence with the proviso that:*

- 1) The researcher/s will ensure that the research project adheres to the values and principles expressed in the UNISA Policy on Research Ethics.*
- 2) Any adverse circumstance arising in the undertaking of the research project that is relevant to the ethicality of the study, as well as changes in the methodology, should be communicated in writing to the Department of Business Management Ethics Review Committee. An amended application could be requested if there are substantial changes from the existing proposal, especially if those changes affect any of the study-related risks for the research participants.*
- 3) The researcher will ensure that the research project adheres to any applicable national legislation, professional codes of conduct, institutional guidelines and scientific standards relevant to the specific field of study.*

Kind regards



Prof Watson Ladzani  
Chairperson of the sub-unit RERC  
Department of Business Management  
wladzani@unisa.ac.za



Prof Raphael Mpofo  
Executive Dean  
College of Economic and Management Sciences



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**Appendix B: Letter of Permission from Eskom**



Date:  
10 April 2014  
Enquiries:  
Mr Len Turner  
Telephone:  
+27 11 800-5184

To: The Registrar  
University of South Africa (UNISA)

**ETHICS CLEARANCE: CONFIRMATION OF ESKOM INTELLECTUAL PROPERTY RIGHTS AND SECURITY CLEARANCE FOR MASTERS RESEARCH – MR. ANDREW RAMABELE BOTSHE**

This memorandum serves as an ethics clearance; confirmation of Eskom intellectual property rights and security clearance for the continuation of Masters level research and write-up by Mr A.R. Botshe. The research topic is "ASSESSING CORPORATE SOCIAL RESPONSIBILITY ON SUSTAINABLE COMMUNITY DEVELOPMENT IN SELECTED ESKOM'S POWER STATIONS."

Mr. Botshe has followed due internal processes in terms of gaining permission for this research.

It must be noted that this general clearance is for a limited period only, which will be for the rest of the financial year 2014 till end 2015, and in no way waives Eskom's Intellectual Property Rights.

Yours sincerely

**Len Turner**  
Senior Consultant  
Talent and Skills Management



**Appendix C: Letter from the Editor**



## **EDITING AND PROOFREADING CERTIFICATE**

7542 Galangal Street

Lotus Gardens

Pretoria

0008

24 February 2016

### **TO WHOM IT MAY CONCERN**

This letter serves to confirm that I have edited and proofread Mr A. R. Botshe's dissertation entitled: **"ASSESSING CORPORATE SOCIAL RESPONSIBILITY ON SUSTAINABLE COMMUNITY DEVELOPMENT AT ESKOM: A CASE OF CAMDEN AND GROOTVLEI POWER STATIONS."**

I found the work easy and enjoyable to read. Much of my editing basically dealt with obstructionist technical aspects of language which could have otherwise compromised smooth reading as well as the sense of the information being conveyed. I hope that the work will be found to be of an acceptable standard. I am a member of Professional Editors Group and also a Language Editor at Bureau of Market Research at the University of South Africa.

Thank you.

Hereunder are my particulars:

---

Jack Chokwe (Mr)

Bureau of Market Research (Unisa)

Contact numbers: 072 214 5489 / 012 429 3327

[jmb@executivemail.co.za](mailto:jmb@executivemail.co.za)

Professional  
**EDITORS**  
Group

### **Appendix D: Consent form signed by participants**

## CONSENT TO PARTICIPATE IN THIS STUDY

I, ..... (Participant name), confirm that the person asking my consent to take part in this research has told me about the nature, procedure, potential benefits and anticipated inconvenience of participation.

I have read (or had explained to me) and understood the study as explained in the information sheet.

I have had sufficient opportunity to ask questions and am prepared to participate in the study.

I understand my participation is voluntary and that I am free to withdraw at any time without penalty.

I am aware that the findings of this study will be anonymously processed into journal publications, Eskom and community websites and/or local community newspapers.

I agree to the recording of the one-one interviews.

I have received a signed copy of the informed consent agreement.

Participant name & surname..... (please print)

Participant signature.....Date.....

Researchers name & surname.....(please print)

Researcher's signature.....Date.....

Witness name & surname..... (please print)

Witness signature.....Date.....

## Appendix E: Questionnaire

# **EXPLORING CORPORATE SOCIAL RESPONSIBILITY ON SUSTAINABLE COMMUNITY DEVELOPMENT AT ESKOM: A CASE OF CAMDEN AND GROOTVLEI POWER STATIONS.**

**Abbreviations: CSR: Corporate Social Responsibility**

**SCD: Sustainable Community Development**

**Prototype: Questionnaire.**

Kindly go through the following questions and indicate your opinion. There is no right/wrong answer. It is a questionnaire designed to gain insight into specific questions and had already been piloted to establish whether specific format of questions is understandable. All responses will be confidential. The findings of this inquiry are worth being considered.

## **1. TOP MANAGENEMENT**

The interview will start with an innocuous question. Do you like working at this power station? Are you happy? Any challenges?

1. What is your role as the PDC member?
2. What policies are in place with regards to CSI initiatives?
3. What mandate has been given to you by Eskom Foundation?
4. What is your understanding of social responsibility of an organisation?
5. Do you support one or different charity organisations? How do you decide which one to sponsor?
6. How do you distinguish philanthropy, donations and community development from corporate social responsibility (CSR) projects; which one really supports business sustainability?
7. What is your level of involvement with the community as part of CSR?
8. How often do you engage with community to encourage interactive meetings in order to identify different talents?
9. What is your view regarding latest community protest against power station management?
10. In your top management structures and maintenance, there is no one from local community. Why?
11. What has been done to alleviate poverty in the community?

12. What has been done to create job opportunities?
13. What has been done to improve culture of learning around the community?
14. Your understanding of SCD? What is your view on this? Is this possible if supported by power station?
15. What should businesses do to ensure SCD?
16. What has been done to stimulate a culture of creativity and innovation among local communities?
17. In your opinion, what inhibits the service delivery to the community?
18. Is CSR projects part of the power station budget?
19. Which three areas, if any, are given priority by business in the allocation of CSR funds? Example: education, poverty, employment, health and etc. What is the progress so far?

## **2. THE CSI PROJECT MANAGER**

If you were elected as the new CEO of Eskom, what would you change in general? Anything related to Eskom Development Foundation?

1. Describe Eskom CSR policies: what are they all about?
2. Do you have a performance contract in place that indicate your day-to-day involvement at power station and community?
3. To what extent are you able to measure your performance in CSI projects?
4. How many social projects have you addressed around these two areas? What are they?
5. Which projects funded in this area are still operational?
6. What is your understanding of social and economic sustainability?
7. In your opinion, do you think Eskom's power station's contribution to community projects is effective in addressing SCD?
8. To what extent is Eskom involved in partnership with other stakeholders in both social and economic development?
9. To what extent does Eskom encourage individuals and community participation in sustainable community development?
10. Are you aware of community protests that took place at these power stations regarding permanent jobs? What is your view on them? Solution? What steps are you taking in assisting the power plants?
11. How often do you liaise with power stations ?

12. How do you decide on the CSR budget? Is it with the stations or Foundation? How do you allocate the costs?
13. How do you know that the station has performed in terms of their social responsibilities?
14. What is the CSI's mandate to power stations?
15. What has been done to stimulate the culture of innovation and creativity among community members?
16. What is the top priority of the foundation to the communities?
17. What do you think is the outcome of businesses that are socially responsible?
18. What is your understanding of social responsibility?
19. Which factors can inhibit successful service delivery?
20. Do you have any plans to educate youth on business opportunities?
21. Are there any Business Development Training Programmes for the community? What community resources are in place through which community development can be spearheaded?

### 3. THE COMMUNITY MEMBERS

If you were to be elected the new SA president on May 2014, what would you change? Where will your focus areas be? What type of SA do you want to see?

*“There is a need to breed an environment that will support and nurture youth in townships and informal communities... the youth should think about aspects of change, move into new orbits and be able to express their creativity”, then the new ideas can be commercialised.*

1. As a community member, what are your roles and goals?
2. What type of development would you like to see around your area?
3. Any major community challenges currently? What are your priorities?
4. What is your feeling regarding philanthropy contributions made to the community? Are they able to sustain the community?
5. How often do you engage with PDC at power stations? Are there any deliverables after these meetings?
6. How do you stimulate culture of innovation and creativity among community members?
7. Are there any plans to alleviate poverty and how?

8. Are there any plans to alleviate unemployment and how?
9. Are there any plans to better the standard of education and how?
10. What type of assistance do you require from power station for sustainable development?
11. What does development mean to you? Give me a broad picture?
12. Are there any plans of community protests soon?
13. You articulated on the newspaper that you consider recommissioning of these power stations a damp squib, where you promised sustainable jobs? By Who? Damp squib: an event which people think it will be exciting but which is very disappointing when it happens.
14. What type of interactions do you have with community members for sustainable community development projects?
15. There are different talents and traits among community members, have they been identified? what have you done to improve and sustain this talents?
16. Any business opportunities within your neighbourhood?
17. Are there any Business Development Training Programmes that you are aware of?
18. What do you think are the reasons for not having any community members occupying higher or top management positions at the power station?